abrdn Asia Focus plc

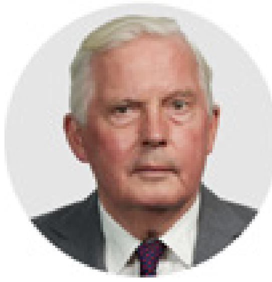
(*formerly Aberdeen Standard Asia Focus PLC*)

A fundamental, high conviction portfolio of well-researched Asian small caps

Annual Report 31 July 2022

asia-focus.com

The cover picture depicts the Bandra Worli Sea link



"In my last Annual Report as Chairman before stepping down in November, I am pleased to see the Trust has in place the necessary measures to take it to even greater strengths in the next 25 years and beyond"

Nigel Cayzer,
Chairman

"Despite the more uncertain near-term outlook, our confidence in the long-term growth prospects for the Asian region remains undimmed. The opportunities for growth are plentiful, especially within the smaller companies' space, and we remain positioned around structural growth themes like domestic consumption, technology and green energy"

Hugh Young,
abrdn Asia Limited

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000 if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

If you have sold or otherwise transferred all your Ordinary shares in abrdn Asia Focus plc, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Performance Highlights

Net asset value total return (diluted)[AB]	
–2.0%	
2021	+41.9%

Net asset value per share (diluted)	
295.3p	
2021	309.02p

Share price total return[A]	
–1.7%	
2021	+38.2%

Share price	
254.0p	
2021	266.00p

MSCI AC Asia ex Japan Small Cap Index total return[C]	
–5.1%	
2021	+39.6%

Discount to net asset value[AB]	
14.0%	
2021	13.9%

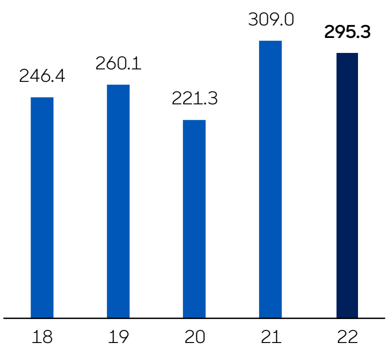
Ongoing charges ratio[A]	
0.88%	
2021	1.10%

Dividend increase/(decrease)[D]	
150.0%	
2021	–15.8%

[A] Alternative Performance Measure (see pages 101 to 103).
[B] Presented on a diluted basis as the Convertible Unsecured Loan Stock ("CULS") is "in the money" (2021 – same).
[C] Currency adjusted, capital gains basis.
[D] Dividends include special dividends of 1.6p for 2022 (2021 – 0.2p).
[E] Figures for 2021 have been restated to reflect the 5:1 sub-division as disclosed in note 14.

Net asset value per share

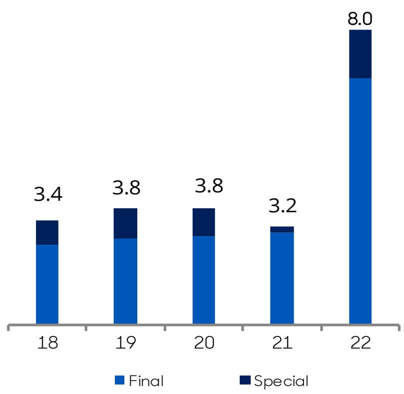
At 31 July – pence



*Diluted values used for 2021 and 2022

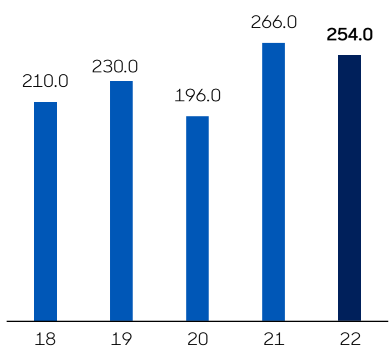
Dividends per share

At 31 July – pence



Mid-market price per share

At 31 July – pence



Figures in the above charts for the years 2018-2021 have been restated to reflect the 5:1 sub-division as disclosed in note 14.

Contents

"In accordance with the enhanced dividend policy approved by shareholders, the Board has achieved the target dividend of 6.4p per Ordinary Share for the financial year ended 31 July 2022 representing a 100% increase on the level of dividend paid in 2021. Furthermore, I am very pleased to report that the strength of dividend generation from the portfolio has allowed the Company to declare a further special interim dividend in respect of the year ended 31 July 2022 of 1.6p per Ordinary share which is 25% higher than the originally anticipated level of target dividend."

Nigel Cayzer,
Chairman

Financial Calendar, Dividends and Highlights

Financial year end	**31 July**
Announcement of results for year ended 31 July 2022	**17 October 2022**
Online Shareholder Presentation (see page 11)	**16 November 2022**
Annual General Meeting	**30 November 2022**
CULS Conversion Date	**30 November 2022**
Payment date of first interim for 2022/2023 and special dividend for 2021/2022	**20 December 2022**
Payment date of second interim dividend for 2022/2023	**21 March 2023**
CULS Conversion Date	**31 May 2023**
Payment date of third interim dividend for 2022/2023	**23 June 2023**
Payment date of fourth interim dividend for 2022/2023	**20 September 2023**

Dividends

	Rate	xd date	Record date	Payment date
Interim 2022	**3.20p**	**24 February 2022**	**25 February 2022**	**21 March 2022**
Interim 2022	**1.60p**	**26 May 2022**	**27 May 2022**	**17 June 2022**
Interim 2022	**1.60p**	**25 August 2022**	**26 August 2022**	**16 September 2022**
Special 2022	**1.60p**	**24 November 2022**	**25 November 2022**	**20 December 2022**
	8.00p			
Final 2021[A]	3.00p	6 January 2022	7 January 2022	2 February 2022
Special 2021[A]	0.20p	6 January 2022	7 January 2022	2 February 2022
	3.20p			

[A] Figures have been restated to reflect the 5:1 sub-division as disclosed in note 14.

	31/07/2022	31/07/2021	% change
Total assets (see definition on page 122)	**£532,912,000**	£557,183,000	-4.4
Total equity shareholders' funds (net assets)	**£464,396,000**	£487,958,000	-4.8
Net asset value per share (basic)[A]	**295.88p**	310.90p	-4.8
Net asset value per share (diluted)[A]	**295.25p**	309.02p	
Share price (mid market)[A]	**254.00p**	266.00p	-4.5
Market capitalisation	**£398,662,000**	£417,483,000	-4.5
Discount to net asset value (basic)[B]	**14.2%**	14.4%	
Discount to net asset value (diluted)[B]	**14.0%**	13.9%	
MSCI AC Asia ex Japan Small Cap Index (currency adjusted, capital gains basis)	**1,888.43**	2,052.64	-8.0
Net gearing[B]	**12.1%**	10.0%	

Dividends and earnings

Total return per share (basic)[AC]	**(7.02)p**	92.34p	
Revenue return per share (basic)[AD]	**9.34p**	1.66p	+462.7
Dividends per share[AE]	**8.00p**	3.20p	+150.0
Dividend cover[B]	**1.17**	0.52	
Revenue reserves[DF]	**£14,964,000**	£12,868,000	+16.3

Operating costs

Ongoing charges ratio[B]	**0.88%**	1.10%	

[A] Figures for 2021 have been restated to reflect the 5:1 sub-division as disclosed in note 14.
[B] Considered to be an Alternative Performance Measure. See pages 101 and 102.
[C] Measures the total earnings for the year divided by the weighted average number of Ordinary shares in issue (see note 9).
[D] Prior year restatement as disclosed in note 22.
[E] The figures for dividends per share reflect the dividends for the year in which they were earned.
[F] Prior to payment of final and special dividends.

Strategic Report

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

Chairman's Statement

Results

The past year has been difficult for financial markets as the world emerges unevenly from the pandemic, with global stock markets suffering from bouts of weakness as investors digest the implications of a European war while facing inflation and the rising prospects of a global recession. But amidst this, some of the stock markets of Asia, in particular those not under the direct influence of China, have been relatively resilient; India being an example where headline indices remain relatively unchanged.

In addition, inflation in most parts of Asia has been mild compared with elsewhere in the world with Asian Central Banks being more accommodating; commodity prices, with the exception of coal, have retreated from the highs of earlier in the year and wage inflationary pressures in Asia are not as great as those anticipated in Europe. However, Asia has not been immune to the fallout from Covid, with parts of the Chinese economy still suffering from lockdowns and there remain pressures in global supply-chains.

During the period, there was also a significant rotation from growth to value stocks in Asian markets, as tightening US monetary policy drove a de-rating in expensive growth stocks with longer-dated cash-flows. The market volatility was evident in both smaller companies and their larger counterparts, with, over the period, the MSCI Asia ex Japan Small Cap index broadly tracking the larger capitalisation MSCI Asia ex Japan index.

In this environment, your Company's net asset value (NAV) total return declined 2.0% over the 12 months to 31 July 2022. While this was a drop in absolute terms, it was ahead of the MSCI Asia ex Japan Small Cap Index which fell 5.1%. It is also important to point out that the performance has also benefitted from the weakness of sterling relative to many Asian currencies and particularly the US dollar. The share price ended the period at 254p, with the discount to NAV per share to 14.0%.

One of the advantages of serving as Chairman for over a quarter of a century, is to see how these periodical seismic events might affect the future prospects of this company- I believe this is the sixth during my tenure. In this regard, I think the following points are worth making:

- As we have identified in previous statements and the reports we published to celebrate our 20th and 25th anniversaries (available on the website), Asia is the great engine of growth over the next 25 years and these events will, over time, only be a blip in that cycle;
- From an Asian perspective, a war in Europe is a long way off and while it will affect global trade, its impact on domestic markets and in particularly small companies where we invest, will have a more limited impact; and
- In times like these, opportunities to rotate out of mature, well managed businesses into ones where opportunities exist to make investments with higher growth potential at more attractive valuations occur and again this time, it is no different. The greater flexibility we granted the Managers with the lifting of market cap limit last year has widened the opportunity.

Since Hugh Young, Martin Gilbert and myself started, in 1995, as the first Directors of the Company with abrdn as the Manager, it has been immensely rewarding and satisfying to see the Company capitalise on the growth and dynamism of the Far East's diverse small-cap companies and economies, growing assets under management (AUM) from £34.0 million at the time of launch in 1995 to £532.9 million (as at 31 July 2022). We have seen the dividends grow during that period from a low of 0.11p in 1998 to 8.0p, after the share split, in the year on which we are reporting. I believe this record on both investment performance and dividend growth is amongst the best for investment companies quoted on the London Stock Exchange.

This, in particular, is thanks to Hugh Young. As the inspired Manager of the Trust since its inception, he has been the key to shaping the abrdn Far Eastern investment team into one of Asia's leading on-the-ground investors with exceptional access to companies, business leaders and policymakers across the region. In the last few years, he has been ably assisted by Gabriel Sacks and since last year, with the addition of Flavia Cheong and Neil Sun, this has further bolstered an already-impressive team.

As I have said, more often than not, in the fifty-three Chairman's Statements made to shareholders, the key to our success has been to only invest in companies with strong balance sheets, good management and excellent prospects. To identify these companies needs dedication from the Managers to seek out these investment nuggets; and the performance of the Company bears out the hard work they have done and continue to do.

It is also easy to forget the multitude of administrative matters that need attending to on a daily basis to ensure the smooth running of the Company. Over the years, the staff at abrdn have provided a seamless and efficient service and I would like to thank Charles Mearns, who has acted as Company Secretary for over 20 years and William Hemmings, who as head of Investment Trusts for 18 years has been a source of valuable advice together with my thanks to all the support staff in London, Aberdeen and Singapore both past and present.

In my last Annual Report as Chairman before stepping down in November, I am pleased to see the Trust has in place the necessary measures to take it to even greater strengths in the next 25 years and beyond.

Overview

Volatility was already creeping into global markets even before the onset of Russia's war in Ukraine. In 2022, central banks have been preoccupied with the prospect of recession and fending off inflation caused by rising commodity prices. Asian markets have proved more resilient during this unsettling period compared with other emerging markets. Inflation has been more moderate and, with post-Covid restrictions lifting, returning tourists and increased consumer spending from pent-up demand have led to a notable recovery in Southeast Asia, for example.

China was an exception. The country's 'zero-Covid' policy meant lockdowns continued to be imposed as authorities tried to contain new virus outbreaks. This dampened domestic activity and put further pressure on an economy that was already slowing as a result of a weak property market and tight regulatory conditions. As a result, China was among the region's worst performing markets during the period. It will be interesting to see if the much heralded 20th Communist Party Congress at the end of this month, besides extending the term of office of President Xi, signals any significant changes in policy; there have been hints of Central Bank easing of policy which the team in Singapore will be monitoring closely.

The Company's relatively light exposure to China buoyed performance relative to the index, but we believe the country remains a great opportunity for diligent stock pickers. With an indiscriminate sell-off in the market, your Manager added two new holdings, capitalising on more attractive valuations and reflecting a desire to gradually increase the Company's exposure to China (you can read more about this in the Investment Manager's Review section of this report).

Two changes implemented to your Company this year will help in this regard. The first is the removal of the US$1.5 billion market cap limit (at the time of initiation), which was agreed at the General Meeting in January 2022. This limit was proving a little restrictive in larger markets – especially China – and the Board believes that the removal of the cap will give your Manager greater flexibility to invest in the most compelling smaller companies in the region.

Secondly, and as referred to above, we have strengthened the investment team. During the period, we welcomed Flavia Cheong, abrdn's Head of Equities – Asia Pacific, as joint Manager alongside Hugh Young and Gabriel Sacks, and Neil Sun, who joins as an investment manager. These additions add depth and experience to your Company and will be beneficial as the team considers a potential increase in allocation to North Asia, leveraging off abrdn's deeper insights on Chinese small caps built over the past few years.

Looking elsewhere across the portfolio, there was strong share-price performance from commodity-related businesses or markets, such as those in Indonesia, or those more positively impacted by rising inflation, such as the shipping industry. Nevertheless, more export-oriented markets fared poorly, especially those associated with the tech supply-chain, such as Taiwan. Despite the marked correction in a few of the Trust's holdings, your Manager remains convinced of the structural growth for these businesses and would argue that the sell-off has thrown up opportunities to buy high-quality companies in this space.

We have also benefitted from a low exposure to Chinese domestic companies. While these have suffered in the pull back of markets, there will be considerable opportunities in the growing Chinese markets and this current reduction in values will present opportunities which will bear fruit in future years.

For a more detailed report of the Company's performance and portfolio changes, please read the Investment Manager's Review.

Dividend

In accordance with the enhanced dividend policy approved by shareholders, the Board has achieved the target dividend of 6.4p per Ordinary Share for the financial year ended 31 July 2022 (adjusted for the five for one share split that occurred on 4 February 2022) (2021 equivalent full-year dividend 3.2p after adjustment for the five for one share split) representing a 100% increase on the level of dividend paid in 2021. Dividends of 3.2p, 1.6p and 1.6p were paid in March, June and September 2022.

Chairman's Statement

Continued

Furthermore, I am very pleased to report that the strength of dividend generation from the portfolio has allowed the Company to declare a further special interim dividend in respect of the year ended 31 July 2022 of 1.6p per Ordinary share which will be paid on 20 December 2022 to shareholders on the register on the record date of 25 November 2022 (ex dividend 24 November 2022).

I believe that, in difficult times, this total dividend of 8.0p per share will be welcomed by shareholders especially as it is 25% higher than the annual target dividend.

The Board's policy is to maintain the progressive dividend policy of the last 25 years (including with the flexibility to pay dividends out of capital reserves where merited in the future) in order to provide shareholders with a regular level of income alongside capital growth prospects.

Share Capital and Gearing

A five for one Share split was approved by shareholders on 27 January 2022 and, with effect from 4 February 2022, each Ordinary share of 25p was sub-divided into five Ordinary shares of 5p each.

During the period we have not bought back any Ordinary shares in the market. The Board will continue to consider the use of share buy backs to both reduce the volatility of any discount and to modestly enhance the NAV for shareholders.

The Company's net gearing at 31 July 2022 was 12.1% with the majority of the debt provided by the Loan Notes. Gearing is also provided by the Convertible Unsecured Loan Stock redeemable in 2025, of which approximately £36.6m million remains outstanding. As at 14 October 2022, the latest practicable date, the net gearing stood at 14.0%.

Directorate

One of the important duties of the Board is to see that the members have the necessary skills to ensure that it is able to both monitor the existing mandate, but also make any necessary changes to that mandate to reflect the demands of a constantly shifting investment world. It is therefore my great pleasure to recommend the finalisation of the following appointments to the Board. Mr Lindsay Cooper joined on 15 June 2022 and Mr Alex Finn joined on 13 July 2022.

Mr Cooper brings a significant amount of Asian investment and small cap expertise to the Board and, being based in Singapore, is perfectly placed to assist in overseeing the execution of the Company's expanded investment mandate that was approved by shareholders in January 2022. After working in corporate finance in Hong Kong in the early 1990s, Lindsay co-founded Arisaig Partners in 1996, an independent Investment Management business where he had investment responsibility for the Arisaig Asia Consumer Fund. Since stepping down from day to day investment responsibility at Arisaig, Lindsay founded Chic & Unique Pte Ltd, a boutique hotels and hospitality business with operations in Asia and Europe and, more recently, founded Chi Tree Health, a preventative healthcare enterprise in Singapore.

Mr Finn brings significant accounting expertise and international business experience to the Board. He has been appointed Chairman of the Audit Committee and was a partner for twenty seven years in PwC's global financial services practice, retiring on 30 June 2022. During his career at PwC Mr Finn was responsible for the services that PwC provided internationally to a number of its largest global clients, all of which had extensive operations in Asia. He was also responsible for supporting clients in large scale accounting and financial change programmes, was PwC's EMEA insurance leader, sat on its EMEA FS leadership team and led a number of PwC's largest global audit engagements. The Board has reviewed the independence of Mr Finn and is satisfied that, following his retirement from PwC where he had no involvement in any direct or indirect work for the Company or the Management Company, Mr Finn is fully independent.

The appointment process for both new Directors was conducted using the services and expertise of Fletcher Jones, an independent recruitment consultant.

I would also like to thank Debby Guthrie who resigned from the Board on 13 April 2022, for her contribution to not only the Board but also as Chairman of the Audit Committee.

As previously indicated, I will retire from the Board at the conclusion of the AGM on 30 November 2022. I am pleased to advise that Krishna Shanmuganathan has accepted an invitation from the other Directors to succeed me as independent Chairman from the conclusion of the AGM in November. Krishna's deep ties to Asia and his experience at the Foreign and Commonwealth Office, Fidelity International and then subsequently as Managing Partner of Hakluyt Asia, based in Singapore, will bring considerable knowledge and benefit to the Board deliberation and I wish him personally, and on your behalf, every success in his new role.

The Board succession planning will continue in 2023.

Annual General Meeting

The Company's Annual General Meeting is scheduled for 12:30 p.m. on 30 November 2022 and the intention is for it to be held in person in London. The AGM will be preceded by a short presentation from the management team and following the formal business there will be a shareholder buffet lunch and the opportunity to meet the Directors. In addition to the usual ordinary business being proposed at the AGM, as special business the Board is seeking to renew the authority to issue new shares and sell treasury shares for cash at a premium without pre-emption rules applying and to renew the authority to buy back shares and either hold them in treasury for future resale (at a premium to the prevailing NAV per share) or cancel them. I would encourage all shareholders to support the Company and lodge proxy voting forms in advance of the meeting, regardless of whether they intend to attend in person.

In light of the significant take up from shareholders at the online presentation held in January 2022, in advance of the AGM, the Board has decided to hold another interactive Online Shareholder Presentation which will be held at 11:00 a.m. on 16 November 2022. At the presentation, shareholders will receive updates from the Chairman and Manager and there will be the opportunity for an interactive question and answer session. Following the online presentation, shareholders will still have time to submit their proxy votes prior to the AGM and I would encourage all shareholders to lodge their votes in advance in this manner. Full registration details can be found at: **https://www.workcast.com/register?cpak=4646856687011531.**

Outlook

As we look forward, investing in Asia has advantages over both the short and long term. The region is proving to be less vulnerable to the current environment than other emerging markets – inflation is less of an issue, while current account and fiscal discipline has been more resilient to the deep downturns. In the longer term, there are several strong trends that should support economic growth, notably rising affluence, increased urbanisation, growing infrastructure demand and commitment from policymakers to a greener and lower-carbon future. Geopolitics, on the other hand, remain a thorny issue, but diversification might be investors' best hedge against a polarising world.

Valuations currently appear attractive, with the MSCI AC Asia ex Japan trading at a forward price-to-earnings ratio of 12.4x (below its five-year average), with the portfolio trading at similar multiples. At these levels, your Manager believes many of the prevailing risks, such as slower growth and higher inflation, could be largely priced in.

Looking specifically at the Trust's niche, we believe that Asia's rapidly developing economies continue to provide fertile ground for quality smaller companies. Asia is home to a wealth of under-researched yet high-performing companies which are often family-run, conservative businesses with low debt levels. For the most part, these companies are leaders in their field, and have growth rates that can be divorced from global macro conditions. Over the years, your Manager's strength has been the ability to select quality companies at a reasonable price; with a focus on balance sheet resilience and sustainable earnings prospects. I believe this positions it well to continue delivering healthy returns for shareholders in these challenging times.

On a personal note, I would like to say what an honour and delight it has been to serve as your Chairman over so long a period. It has been a source of great inspiration to not only see the developments in Asia during this period but also to see the enormous achievements that this Company has enjoyed. £1,000 invested in 1995 is now worth £21,052 with dividends reinvested. I can only wish everyone associated with the Company many thanks for the huge support they have given me and great success in the future.

Nigel Cayzer
Chairman
14 October 2022

Overview of Strategy

Business Model

The business of the Company is that of an investment company which seeks to qualify as an investment trust for UK capital gains tax purposes.

Investment Objective

From 27 January 2022:

On 27 January 2022 shareholders approved an amended investment objective. The Company aims to maximise total return to shareholders over the long term from a portfolio made up predominantly of quoted smaller companies in the economies of Asia excluding Japan.

Up to 27 January 2022:

The Company aimed to maximise total return to shareholders over the long term from a portfolio made up predominantly of smaller quoted companies (with a market capitalisation of up to approximately US$1.5 billion at the time of investment) in the economies of Asia and Australasia, excluding Japan, by following the investment policy. When it was in shareholders' interests to do so, the Company reserved the right to participate in the rights issue of an investee company notwithstanding that the market capitalisation of that investee may exceed the stated ceiling.

Investment Policy

On 27 January 2022 shareholders approved an amended investment policy. The Company may invest in a diversified portfolio of securities (including equity shares, preference shares, convertible securities, warrants and other equity-related securities) predominantly issued by quoted smaller companies spread across a range of industries and economies in the Investment Region. The Investment Region includes Bangladesh, Cambodia, China, Hong Kong, India, Indonesia, Korea, Laos, Malaysia, Myanmar, Pakistan, The Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam, together with such other economies in Asia as approved by the Board.

The Company may invest up to 10% of its net assets in collective investment schemes, and up to 10% of its net assets in unquoted companies, calculated at the time of investment.

The Company may also invest in companies traded on stock markets outside the Investment Region provided over 75% of each company's consolidated revenue, operating income or pre-tax profit is earned from trading in the Investment Region or the company holds more than 75% of their consolidated net assets in the Investment Region.

When the Board considers it in shareholders' interests, the Company reserves the right to participate in rights issues by an investee company.

Risk Diversification

The Company will invest no more than 15% of its gross assets in any single holding including listed investment companies at the time of investment.

Gearing

The Board is responsible for determining the gearing strategy for the Company. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent this is considered appropriate to do so. Gearing is subject to a maximum gearing level of 25% of NAV at the time of draw down.

Delivering the Investment Policy

The Directors are responsible for determining the investment policy and the investment objective of the Company. Day to day management of the Company's assets has been delegated, via the AIFM, to the Investment Manager, abrdn Asia. abrdn Asia invests in a diversified range of companies throughout the Investment Region in accordance with the investment policy. abrdn Asia follows a bottom-up investment process based on a disciplined evaluation of companies through direct visits by its fund managers. Stock selection is the major source of added value. No stock is bought without the fund managers having first met management. abrdn Asia estimates a company's worth in two stages, quality then price. Quality is defined by reference to management, business focus, the balance sheet and corporate governance. Price is calculated by reference to key financial ratios, the market, the peer group and business prospects. Top-down investment factors are secondary in the abrdn Asia's portfolio construction, with diversification rather than formal controls guiding stock and sector weights.

A detailed description of the investment process and risk controls employed by abrdn Asia is disclosed on pages 106 to 108. A comprehensive analysis of the Company's portfolio is disclosed on pages 30 to 37 including a description of the ten largest investments, the portfolio investments by value, sector/geographical analysis and currency/market performance. At the year end the Company's portfolio consisted of 62 holdings.

Investment Manager and Alternate Investment Fund Manager

The Company's Alternative Investment Fund Manager, appointed as required by EU Directive 2011/61/EU, is abrdn Fund Managers Limited ("aFML") (previously known as Aberdeen Standard Fund Managers Limited) which is authorised and regulated by the Financial Conduct Authority. Day to day management of the portfolio is delegated to abrdn Asia Limited ("abrdn Asia", the "Manager" or the "Investment Manager"). aFML and abrdn Asia are wholly owned subsidiaries of abrdn plc.

Comparative Indices

From 1 August 2021 the Manager has utilised the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) as well as peer group comparisons for Board reporting. For periods prior to 1 August 2021, a composite index is used comprising the MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted) up to 31 July 2021 and the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) thereafter. It is likely that performance will diverge, possibly quite dramatically in either direction, from the comparative index. The Manager seeks to minimise risk by using in-depth research and does not see divergence from an index as risk.

Promoting the Company's Success

In accordance with corporate governance best practice, the Board is now required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year following the guidelines set out under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This Statement, from 'Promoting the Success of the Company' to "Long Term Investment" on page 15, provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The purpose of the Company is to act as a vehicle to provide, over time, financial returns to its shareholders. The Company's Investment Objective is disclosed on page 12. The activities of the Company are overseen by the Board of Directors of the Company.

The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. The Board reviews the culture and manner in which the Manager operates at its regular meetings and receives regular reporting and feedback from the other key service providers.

Investment trusts, such as the Company, are long-term investment vehicles, with a recommended holding period of five or more years. Typically, investment trusts are externally managed, have no employees, and are overseen by an independent non-executive board of directors. Your Company's Board of Directors sets the investment mandate, monitors the performance of all service providers (including the Manager) and is responsible for reviewing strategy on a regular basis. All this is done with the aim of preserving and, indeed, enhancing shareholder value over the longer term.

Stakeholders

The Company's main stakeholders have been identified as its shareholders, the Manager (and Investment Manager), service providers, investee companies and debt providers. More broadly, the environment and community at large are also stakeholders in the Company. The Board is responsible for managing the competing interests of these stakeholders. Ensuring that the Manager delivers out performance for Ordinary shareholders over the longer term without adversely affecting the risk profile of the Company which is known and understood by the loan note holders and CULS holders. This is achieved by ensuring that the Manager stays within the agreed investment policy.

Shareholders

Shareholders are key stakeholders in the Company – they look to the Manager to achieve the investment objective over time. The following table describes some of the ways we engage with our shareholders:

Overview of Strategy

Continued

AGM	The AGM normally provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. The next AGM will take place on 30 November 2022 in London. We encourage shareholders to lodge their vote by proxy on all the resolutions put forward.
Online Shareholder Presentation	In January 2022 the Board held an online shareholder presentation which was attended by over 250 shareholders and prospective investors.
Annual Report	We publish a full annual report each year that contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format.
Company Announcements	We issue announcements for all substantive news relating to the Company. You can find these announcements on the website.
Results Announcements	We release a full set of financial results at the half year and full year stage. Updated net asset value figures are announced on a daily basis.
Monthly Factsheets	The Manager publishes monthly factsheets on the Company's website including commentary on portfolio and market performance.
Website	Our website contains a range of information on the Company and includes a full monthly portfolio listing of our investments as well as podcasts by the Investment Manager. Details of financial results, the investment process and Investment **asia-focus.co.uk**
Investor Relations	The Company subscribes to the Manager's Investor Relations programme (further details are on page 18).

The Manager

The key service provider for the Company is the Alternative Investment Fund Manager and the performance of the Manager is reviewed in detail at each Board meeting. The Manager's investment process is outlined on pages 106 to 108 and further information about the Manager is given on page 105. Shareholders are key stakeholders in the Company – they are looking to the Manager to achieve the investment objective over time and to deliver a regular growing income together with some capital growth. The Board is available to meet at least annually with shareholders at the Annual General Meeting and this includes informal meetings with them over lunch following the formal business of the AGM. This is seen as a very useful opportunity to understand the needs and views of the shareholders. In between AGMs, the Directors and Manager also conduct programmes of investor meetings with larger institutional, private wealth and other shareholders to ensure that the Company is meeting their needs. Such regular meetings may take the form of joint presentations with the Investment Manager or meetings directly with a Director where any matters of concern may be raised directly.

Other Service Providers

The other key stakeholder group is that of the Company's third party service providers. The Board is responsible for selecting the most appropriate outsourced service providers and monitoring the relationships with these suppliers regularly in order to ensure a constructive working relationship. Our service providers look to the Company to provide them with a clear understanding of the Company's needs in order that those requirements can be delivered efficiently and fairly. The Board, via the Management Engagement Committee, ensures that the arrangements with service providers are reviewed at least annually in detail. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Manager, Investment Manager and other relevant stakeholders. Reviews include those of the Company's depositary and custodian, share registrar, broker and auditors.

Principal Decisions

Pursuant to the Board's aim of promoting the long term success of the Company, the following principal decisions have been taken during the year:

Portfolio The Investment Manager's Review on pages 21 to 23 details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to monitor the investment portfolio throughout the year under the supervision of the Board. A list of the key portfolio changes can be found in the Investment Manager's Report.

Board Investment Review During the year the Board concluded its comprehensive investment review which culminated in the following changes which were all approved by shareholders at the General Meeting held on 27 January 2022:

1. amend the Company's Investment Policy;
2. adopt the Company's enhanced New Dividend Policy;
3. amend the Company's Articles in order to provide flexibility to pay dividends out of capital profits in the future, and refresh the Articles more generally, including in connection with the running of Shareholder meetings following the recent pandemic;
4. enact a five for one Share split; and
5. introduce a new five year performance-linked tender.

Long Term Investment

The Investment Manager's investment process seeks to outperform over the longer term. The Board has in place the necessary procedures and processes to continue to promote the long term success of the Company. The Board will continue to monitor, evaluate and seek to improve these processes as the Company continues to grow over time, to ensure that the investment proposition is delivered to shareholders and other stakeholders in line with their expectations.

Key Performance Indicators (KPIs)

The Board uses a number of financial performance measures to assess the Company's success in achieving its objective and to determine the progress of the Company in pursuing its investment policy. The main KPIs identified by the Board in relation to the Company, which are considered at each Board meeting, are as follows:

KPI	Description
NAV Return (per share)	The Board considers the Company's NAV total return figures to be the best indicator of performance over time and is therefore the main indicator of performance used by the Board. The figures for this year and for the past 1, 3, 5, 10 years and since inception are set out on page 24.
Performance against comparative indices	The Board also measures performance against the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) as well as peer group comparisons for Board reporting. For periods prior to 1 August 2021, a composite index is used comprising the MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted) up to 31 July 2021 and the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) thereafter. Graphs showing performance are shown on pages 26 and 27. At its regular Board meetings the Board also monitors share price performance relative to competitor investment trusts over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies.
Share price (on a total return basis)	The Board also monitors the price at which the Company's shares trade relative to the MSCI Asia ex Japan Small Cap Index (sterling adjusted) on a total return basis over time. A graph showing the total NAV return and the share price performance against the comparative index is shown on pages 26 and 27.
Discount/Premium to NAV	The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The objective is to avoid large fluctuations in the discount relative to similar investment companies investing in the region by the use of share buy backs subject to market conditions. A graph showing the share price premium/(discount) relative to the NAV is also shown on page 25.

Overview of Strategy

Continued

KPI	Description
Dividend	The Board has set a target dividend of 6.4p per share and the aim is to maintain or increase the Ordinary dividend so that shareholders can rely on a consistent stream of income. Dividends paid over the past 10 years are set out on page 24.

Principal Risks and Uncertainties

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. Risks are identified and documented through a risk management framework and further details on the risk matrix are provided in the Directors' Report. The Board has undertaken a robust review of the principal risks and uncertainties facing the Company including those that would threaten its business model, future performance, solvency or liquidity. Those principal risks are disclosed in the table below together with a description of the mitigating actions taken by the Board. The principal risks associated with an investment in the Company's Shares are published monthly on the Company's factsheet or they can be found in the pre-investment disclosure document published by the Manager, both of which are available on the Company's website.

The Board also has a process to review longer term risks and consider emerging risks and if any of these are deemed to be significant these risks are categorised, rated and added to the risk matrix.

The Board notes that there are a number of contingent risks stemming from the Covid-19 pandemic and the conflict in Ukraine that may impact the operation of the Company. These include investment risks surrounding the companies in the portfolio such as employee absence, reduced demand, reduced turnover and global supply chain breakdowns. The Investment Manager will continue to review carefully the composition of the Company's portfolio and to be pro-active in taking investment decisions where necessary. Operationally, third party services have continued to be supplied seamlessly to the Company throughout the Covid-19 pandemic and the Board will continue to monitor arrangements in the form of periodic updates from the Manager and Investment Manager.

In addition to the risks listed below, the Board is also very conscious of the risks emanating from increased environmental, social and governance challenges. The recent scrutiny by western governments of human rights violations in Xinjiang is an example of the need for continued vigilance regarding the supply chain exposure of investee companies and the fair and humane treatment of workers. Likewise, as climate change pressures mount, the Board continues to monitor, through its Manager, the potential risk that investee companies may fail to keep pace with the appropriate rates of change and adaption.

In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of this Annual Report and are not expected to change materially for the current financial year.

Description	Mitigating Action
Investment strategy and objectives – the setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand may lead to the Company becoming unattractive to investors, a decreased demand for shares and a widening discount. **Risk Unchanged during Year**	The Board keeps the level of discount at which the Company's shares trade as well as the investment objective and policy under review and in particular holds an annual strategy meeting where the Board reviews updates from the Investment Manager, investor relations reports and the Broker on the market. In particular, the Board is updated at each Board meeting on the make-up of and any movements in the shareholder register.

Description	Mitigating Action
Investment portfolio and investment management: investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and inability to meet the Company's objectives, as well as a weakening discount. **Risk Unchanged during Year**	The Board sets, and monitors, its investment restrictions and guidelines, and receives regular board reports which include performance reporting on the implementation of the investment policy, the investment process and application of the guidelines. The Investment Manager is in attendance at all Board meetings. The Board also monitors the Company's share price relative to the NAV.
Financial obligations (Gearing): the requirement for the Company to meet its financial obligations, or increasing the level of gearing, could result in the Company becoming over-geared or unable to take advantage of potential opportunities and result in a loss of value to the Company's shares. It could also result in the Company being unable to meet the interest repayments due on the CULS and Loan Note holders. **Risk Unchanged during Year**	The Board sets a gearing limit and receives regular updates on the actual gearing levels the Company has reached from the Investment Manager together with the assets and liabilities of the Company and reviews these at each Board meeting. In addition, abrdn Fund Managers Limited, as alternative investment fund manager, has set an overall leverage limit of 2x on a commitment basis (2.5x on a gross notional basis) and includes updates in its reports to the Board.
Financial and regulatory: the financial risks associated with the portfolio could result in losses to the Company. In addition, failure to comply with relevant regulation (including the Companies Act, the Financial Services and Markets Act, the Alternative Investment Fund Managers Directive, Accounting Standards and the listing rules, disclosure and prospectus rules) may have an impact on the Company. **Risk Unchanged during Year**	The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are mitigated by the Investment Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 19 to the financial statements. The Board relies upon the abrdn Group to ensure the Company's compliance with applicable regulations and from time to time employs external advisors to advise on specific concerns.
Operational: the Company is dependent on third parties for the provision of all systems and services (in particular, those of abrdn) and any control failures and gaps in these systems and services could result in a loss or damage to the Company. Disruption, including that caused by information technology breakdown or another cyber-related issue, could prevent, for example, the functioning of the Company; accurate reporting to the Board or shareholders; or payment of dividends in accordance with the announced timetable **Risk Unchanged during Year**	The Board receives reports from the Manager on internal controls and risk management at each Board meeting. It receives assurances from all its significant service providers, as well as back to back assurances where activities are themselves sub-delegated to other third party providers with which the Company has no direct contractual relationship. The assurance reports include an independent assessment of the effectiveness of risks and internal controls at the service providers including their planning for business continuity and disaster recovery scenarios, together with their policies and procedures designed to address the risks posed to the Company's operations by cyber-crime. Further details of the internal controls which are in place are set out in the Directors' Report on pages 51 and 52.

Overview of Strategy

Continued

Description	Mitigating Action
Investing in unlisted securities: the Company has the ability to invest in unlisted securities, although no such investments have been made to date. Unquoted investments are long-term in nature and they may take a considerable period to be realised. Unquoted investments are less readily realisable than quoted securities. Such investments may therefore carry a higher degree of risk than quoted securities. In valuing investments the Company may rely to a significant extent on the accuracy of financial and other information provided to the Manager as well as the performance of listed peer multiples which may impact unquoted valuations negatively. **Risk Unchanged during Year**	The Board recognises that investing in unlisted securities carries a higher risk/reward profile. Accordingly it seeks to mitigate this risk by limiting investment into such securities to 10% of the Company's net assets (calculated at the time of investment). For the year ended 31 July 2022 no unlisted investments were made.
Market and F/X: insufficient oversight or controls over financial risks, including market risk, foreign currency risk, liquidity risk and credit risk could result in a loss to the Company. **Risk Increased during Year**	The Manager's risk department reviews investment risk and a review of credit worthiness of counterparties is undertaken by its Counterparty Credit Risk team. The Company does not hedge foreign currency exposure but it may, from time to time, partially mitigate it by borrowing in foreign currencies.
Major market event or geo-political risk - The Company is exposed to stockmarket volatility or illiquidity as a result of a major market shock due to a national or global crisis. The impact of such risks, associated with the portfolio or the Company itself, could result in disruption to the operations of the Company and losses. **Risk Increased during Year**	External risks over which the Company has no control are always a risk. The Manager monitors the Company's portfolio and is in close communication with the underlying investee companies in order to navigate and guide the Company through macroeconomic and geopolitical risks. The Manager continues to assess and review the investment risks arising from the resurgence of Covid-19 and the impact of events in Ukraine on companies in the portfolio and takes the necessary investment decisions. The Manager monitors the potential for increased military tensions in East Asia, and other potential regional conflict.

Promoting the Company

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by the Manager on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by the Manager. The Manager reports quarterly to the Board giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

The purpose of the programme is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of your Company is key and therefore the Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow the Board to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. Although the Board does not set diversity targets, it is mindful of best practice in this area, and the Board will continue to evolve in 2023, with the stated aim of improving its diversity. At 31 July 2022, there were five male Directors and one female Director on the Board.

Environmental, Social and Governance ("ESG") Engagement

Whilst the management of the Company's investments is not undertaken with any specific instructions to exclude certain asset types or classes, the Investment Manager embeds ESG into the research of each asset class as part of the investment process. ESG investment is about active engagement, with the goal of improving the performance of assets held around the world.

The Investment Manager aims to make the best possible investments for the Company, by understanding the whole picture of the investments – before, during and after an investment is made. That includes understanding the environmental, social and governance risks and opportunities they present – and how these could affect longer-term performance. Environmental, social and governance considerations underpin all investment activities. With 1,000+ investment professionals, the Investment Manager is able to take account of ESG factors in its company research, stock selection and portfolio construction – supported by more than 40 ESG specialists around the world. Please refer to pages 109 to 111 for further detail on the Investment Manager's ESG policies applicable to the Company.

The Company has no employees as the Board has delegated day to day management and administrative functions to abrdn Fund Managers Limited. There are therefore no disclosures to be made in respect of employees. The Company's socially responsible investment policy is outlined above.

Due to the nature of the Company's business, being a company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. The Board considers the Company's supply chains, dealing predominantly with professional advisors and service providers in the financial services industry, to be low risk in relation to this matter.

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

Viability Statement

The Company does not have a formal fixed period strategic plan but the Board formally considers risks and strategy at least annually. The Board considers the Company, with no fixed life, to be a long term investment vehicle, but for the purposes of this viability statement has decided that a period of three years is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long term horizon and the inherent uncertainties of looking out further than three years.

In assessing the viability of the Company over the review period the Directors have conducted a robust review of the principal risks, focusing upon the following factors:

- The principal risks detailed in the Strategic Report;
- The ongoing relevance of the Company's investment objective in the current environment;
- The demand for the Company's Shares evidenced by the historical level of premium and or discount;
- The level of income generated by the Company;
- The level of gearing and flexibility of the Company's Loan Stock and Loan Notes; and
- The liquidity of the Company's portfolio including the results of stress test analysis performed by the Manager under a wide number of market scenarios.

In making this assessment, the Board has examined scenario analysis showing the impact of historic large economic shocks on the value and level of liquidity of the portfolio. This included modelling a further global pandemic and the global financial crisis of 2008 and how these factors might affect the Company's prospects and viability in the future.

Overview of Strategy

Continued

Accordingly, taking into account the Company's current position, the fact that the Company's investments are mostly liquid and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of three years from the date of this Report. In making this assessment, the Board has considered that matters such as significant economic or stock market volatility, a substantial reduction in the liquidity of the portfolio or changes in investor sentiment could have an impact on its assessment of the Company's prospects and viability in the future.

Future

The Board's view on the general outlook for the Company can be found in my Chairman's Statement on page 11 whilst the Investment Manager's views on the outlook for the portfolio are included on page 23.

The Strategic Report has been approved by the Board and signed on its behalf by:

Nigel Cayzer,
Chairman
14 October 2022

Investment Manager's Review

Performance review

Asian equities fared well during the first half of the period as vaccine programmes led to an easing of lockdown restrictions and an economic recovery. However, there has been a pronounced risk-off trade in place since the turn of the year, with investors rattled by disruption to global supply chains, soaring inflation, rising interest rates and Russia's invasion of Ukraine. This has manifested itself in investors rotating away from more expensive areas of the market - such as high-growth companies - towards value. When market conditions are as volatile and the macroeconomic backdrop as uncertain as they are currently, sticking to our investment process becomes even more important. The rigour that is central to our process has stood us in good stead this year, enabling us to deliver solid outperformance for shareholders.

Your Company benefitted from being overweight Indonesia, as the market was among the strongest in the Asian region. The Indonesian economy rebounded as the country emerged from Covid-related restrictions and commodity prices surged. Further, stock selection was good, with **AKR Corporindo** among the standouts after announcing consecutive record quarters for earnings. This was thanks to lower expenses and sustained strength in margins in its transmission and distribution division. The company is a beneficiary of a commodity upcycle, as it provides a boost to fuel sales and chemical-price inflation improves profitability as the company has fixed-percentage distribution margins. **Medikaloka Hermina's** share price also fared well. The company is rapidly increasing its network of hospitals to meet growing demand for medical services across the country, and profits more than doubled in 2021. The stock was also supported in the latter part of the period by major Indonesian conglomerate Astra International raising its stake in the company.

Elsewhere in Southeast Asia, stock selection in Malaysia and our exposure to Vietnam further contributed to performance. In Vietnam, IT-services business **FPT Corp** benefitted from the continued need for corporates to transition to the cloud and adapt their systems to newer technologies. Property developer **Nam Long** benefitted from a period of relatively loose monetary policy as well as from a housing recovery – although inflation pressure in recent months has turned Vietnam's central bank more cautious. Turning to North Asia, the fund's underweight to China served us well, given the raft of headwinds facing companies there, including macro and regulatory challenges, Beijing's zero-Covid policy and accumulated stress in the property sector. Chinese equities sold-off further this year in response to China's temporary lockdown of major cities like Shanghai to curb the spread of Covid-19.

Hong Kong-listed dry-bulk shipper **Pacific Basin**, on the other hand, was among the top contributors to performance. The company continues to enjoy a period of higher profits and better earnings visibility, given tight industry supply, resulting in large dividend payouts that have significantly enhanced shareholder returns. Elsewhere, shares in **M.P. Evans**, which operates plantations in Indonesia, traded higher due to the sharp rise in palm-oil prices, while Indian digital-advertising business **Affle** rose as revenue growth continues to exceed expectations. In addition, the firm is well positioned to increase profitability in other emerging markets, as underlined by its recent acquisition in Latin America.

Your Company's exposure elsewhere in India dragged on performance. Elevated energy and commodity prices earlier this year contributed to inflation pressure that prompted the Reserve Bank of India to embark on raising interest rates. Higher prices combined with wavering outlook for global growth weighed on shares. Towards the end of the review period, Indian equities rebounded sharply, but the fund's underweight position relative to the comparative index proved costly. The Trust's holding in **Vijaya Diagnostic Centre** sold off amid growing concerns over competition in the diagnostics sector. In our view, the market has overestimated the importance of price and underappreciated more important business drivers such as branding, trust and service quality. **Godrej Agrovet** also lagged and we decided to divest the position to pursue other investments with greater earnings visibility.

Investment Manager's Review

Continued

Further, the rotation away from technology stocks impacted the Trust's performance, with holdings in the tech-heavy markets of Taiwan and South Korea not immune from the broader sell-off in the sector globally. This included the likes of **Taiwan Union Technology, Park Systems, Koh Young Technology** and **Douzone Bizon**. Also in Taiwan, **momo.com** underperformed after a strong period of outperformance, as investors gravitated away from high-growth companies, despite the company reporting strong quarterly results.

Your Company's exposure to Sri Lanka, through its holding in conglomerate **John Keells,** hurt performance given the country's turbulent economic and political backdrop. This manifested itself primarily via a devaluation of the currency, as the company's operations continue to recover from Covid-induced challenges and the share price in local currency terms has been relatively stable. Despite the undoubted challenges Sri Lanka faces, we believe there is value in John Keell's shares and feel the company is in a comfortable enough position to continue investing in its businesses, which is likely to strengthen its competitive moat over the long-term.

Portfolio activity

We think market volatility has created a price disconnect that is best exploited through a focus on company fundamentals. In line with this view, we took the opportunity to introduce some quality businesses that are well placed to ride on structurally growing themes, such as health care and technology. This should also help us mitigate the downside risks to growth from inflation. In a similar vein, we sold-out of some companies where we were less convinced of their long-term prospects, either due to disappointing execution or as a result of a rapidly changing macroeconomic environment.

As referenced in the Chairman's statement, we decided to increase the Trust's exposure to China following a sharp pullback in valuations This included introducing **Sinoma Science and Technology**, one of the largest wind-turbine blade producers in China and the third largest battery separator maker. Sinoma operates with the entrepreneurial culture of a private enterprise but, as a state-owned enterprise, has better access to resources, capital and research and development capabilities. We view the stock as a proxy for rising demand for renewable energy, including both wind and lithium batteries. Therefore, as well as being a high-quality operator, it has strong ESG credentials. We also added **Joinn Laboratories,** which offers drug safety assessment services on the mainland. Being an early mover in innovative drugs, Joinn has a solid track record, while its services cover the discovery, pre-clinical and clinical trial stages, underpinned by research excellence and experienced management.

We also purchased shares in South Korea's **Leeno Industrial**, which designs and manufactures equipment that is vital in the testing process of most electronic products. It is the global market leader in an industry where barriers to entry are high due to the considerable upfront investment required. Leeno supplies the largest semiconductor manufacturers globally and has a well-diversified customer base, spanning over a thousand clients. We are also positive about its longer-term prospects thanks to strong growth in end markets driven by 5G, artificial intelligence, medical devices and autonomous driving and electric vehicles. This is all backed by excellent financials. Its healthy free cash flow and net-cash balance sheet enables it to fund its capex and working capital internally and it consistently generates a return on equity in the high teens. Other additions to the Trust during the period include **Andes Technology, MapmyIndia, IPH** and **Vijaya Diagnostic Centre.**

Meanwhile, we divested the position in Singapore's Raffles Medical Group. Despite the firm announcing a good full-year result in February, we were concerned about the sustainability of Covid-related revenue and expect the business to see earnings recede for a period of time. Other exits include Aeon Credit Service Asia, Aeon Thana Sinsap, Goodyear, Orix Leasing, Ujjivan Financial Services, Yantai China Pet Foods and YNH Property.

Outlook

We expect Asian markets to remain volatile as the prevailing stress points of rising inflation – aggravated by the Ukraine conflict - and monetary policy normalisation continue to raise the probability of a global economic recession. China's economy also remains weak and although Beijing has adopted a more pro-growth stance of late, continued monetary and fiscal support will be required to revive economic activity and much will depend on the extent to which the government decides to loosen its 'zero-Covid' measures. Elsewhere across the region, the recovery in Southeast Asia is gathering pace amid further progress in the reopening of economies.

Despite serious macroeconomic and geopolitical pressures, we have yet to see significant deterioration in company fundamentals across the region, and the operating performance of the Trust's holdings has proven to be resilient. Corporate Asia will continue to battle the twin challenges of higher input costs and rising interest rates, but we remain encouraged about your companies' pricing power and debt-free balance sheets.

Despite the more uncertain near-term outlook, our confidence in the long-term growth prospects for the Asian region remains undimmed. The opportunities for growth are plentiful, especially within the smaller companies' space, and we remain positioned around structural growth themes like domestic consumption, technology and green energy. Indeed, the turbulence in markets has resulted in more palatable valuations, creating enticing opportunities for investors like us who are here for the long run.

Flavia Cheong, Gabriel Sacks, Neil Sun & Hugh Young
abrdn Asia Limited
14 October 2022

Results

Performance (total return)

	1 year % return	3 year % return	5 year % return	10 year % return	Since inception
Share price[A]	–1.7	+18.0	+31.9	+102.8	+2005.2
Net asset value per Ordinary share – diluted[AB]	–2.0	+20.2	+34.8	+130.6	+2115.6
MSCI AC Asia ex Japan Small Cap Index (currency adjusted)	–5.1	+31.9	+32.6	+125.3	n/a

[A] Considered to be an Alternative Performance Measure (see page 103 for more information).
[B] 1 year return calculated on a diluted basis as CULS is "in the money". All other returns are calculated on a diluted basis.
Source: abrdn, Morningstar, Lipper & MSCI

Ten Year Financial Record

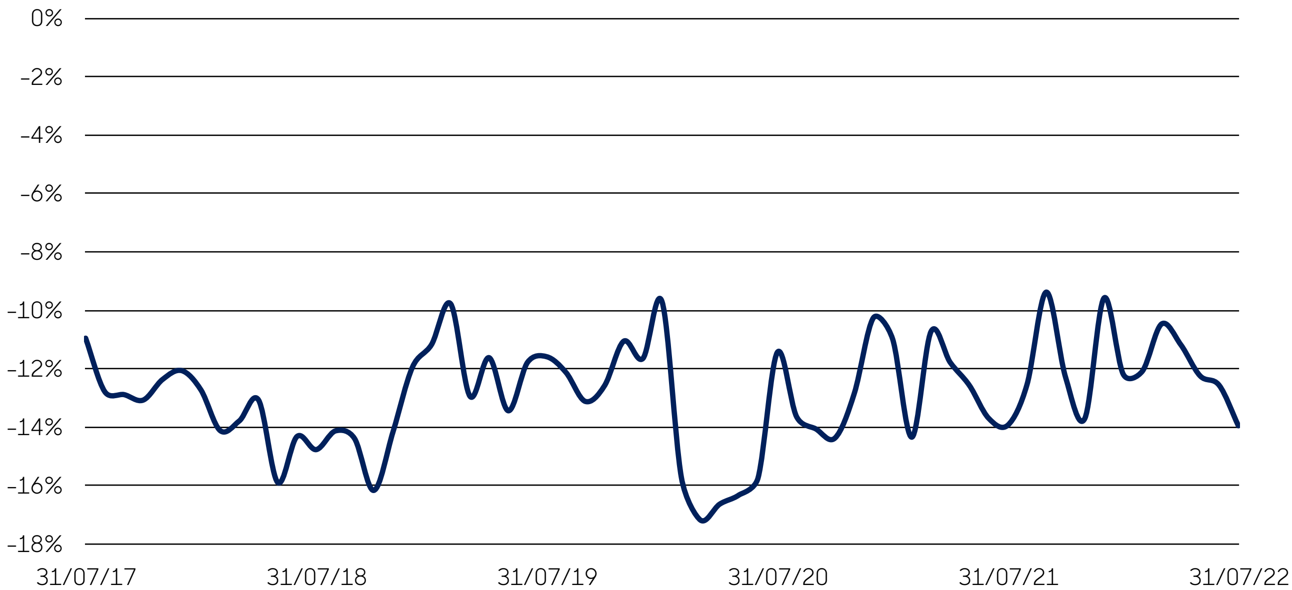
Year to 31 July	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total revenue (£'000)	11,512	11,427	14,746	10,992	13,896	14,673	14,632	13,595	9,624	**18,071**
Per share (p)[A]										
Net revenue return[B]	2.77	2.29	3.64	1.84	3.86	3.85	4.33	4.29	1.66	**9.34**
Total return	55.09	(6.29)	(10.03)	33.08	34.46	7.36	15.64	(36.51)	92.34	**(7.02)**
Net ordinary dividends paid/proposed	2.00	2.00	2.10	2.10	2.40	2.60	2.80	2.90	3.00	**6.40**
Net special dividends paid/proposed	0.60	0.60	0.90	–	0.80	0.80	1.00	0.90	0.20	**1.60**
Net asset value per share (p)[A]										
Basic	202.76	193.78	181.23	213.78	247.09	246.37	260.11	221.29	310.90	**295.88**
Diluted	198.56	190.50	179.26	208.60	238.50	n/a	n/a	n/a	309.02	**295.25**
Shareholders' funds (£'000)	382,932	369,118	343,967	383,735	430,105	433,706	441,010	358,956	487,958	**464,396**

[A] Figures for 2013-2021 have been restated to reflect the 5:1 sub-division as disclosed in note 14.
[B] Figure for 2021 adjusted as disclosed in note 22.

Performance

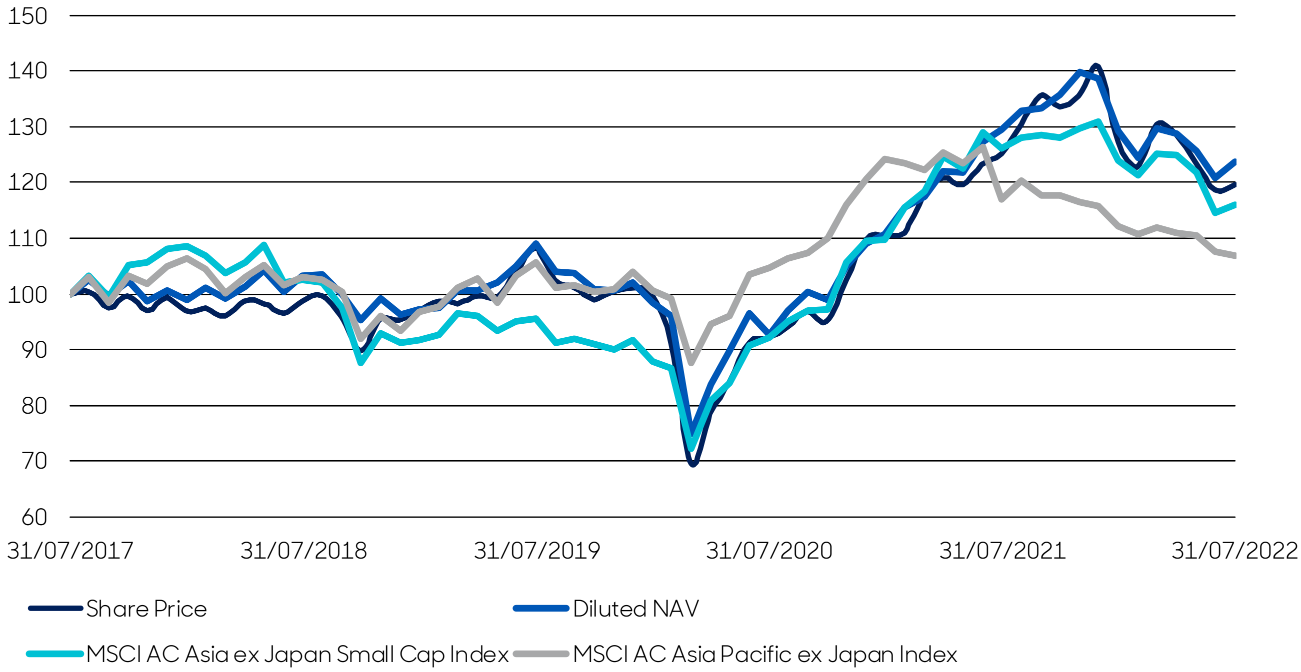
Share Price Discount to Diluted Net Asset Value

Five years to 31 July 2022



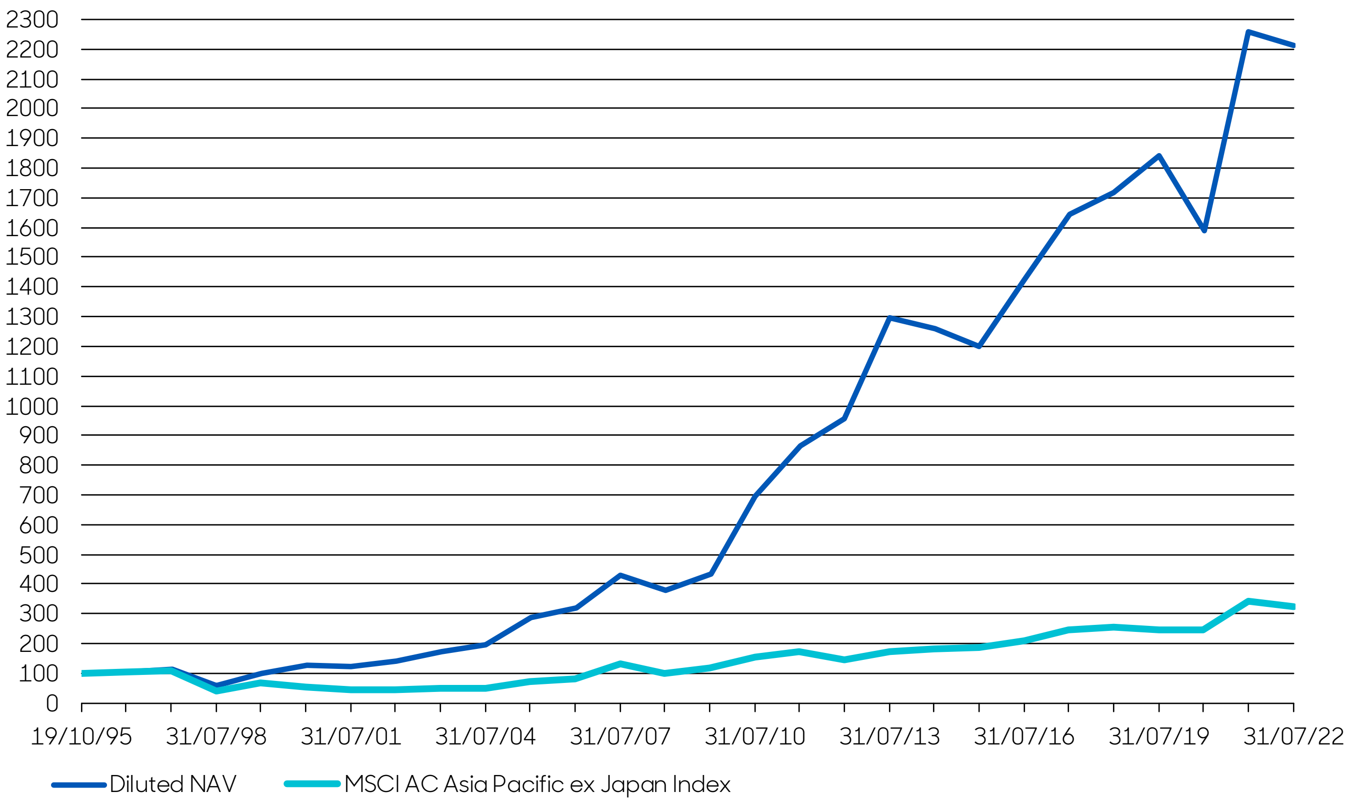
Capital Return of Diluted NAV and Share Price vs MSCI AC Asia ex Japan Small Cap Index (sterling adjusted)and MSCI AC Asia Pacific ex Japan Index (sterling adjusted) and

Five years to 31 July 2022 (rebased to 100 as at 31/07/17)



Diluted NAV Total Return Since Inception vs MSCI AC Asia Pacific ex Japan Index (sterling adjusted)

19 October 1995 to 31 July 2022 (rebased to 100 as at 19/10/95)



Portfolio

For the Managers comparative indices are used as tools for measurement and not for portfolio construction. abrdn are buy-and-hold investors, meaning in theory a good company is one they may hold forever. They invest in companies that they believe they understand and can value. Companies in the portfolio are held for the longer term.

Ten Largest Investments

As at 31 July 2022

3.5%
Total assets

Affle India
A consumer technology business operating a data platform that helps direct digital advertising. It is dominant in India where digitalisation has reached an inflection point. This should support growth for several years.

3.5%
Total assets

AKR Corporindo
AKR is one of the main players in industrial fuel in Indonesia, which has a high entry barrier. Its key strength is its extensive infrastructure and logistic facilities throughout the country.

3.3%
Total assets

AEM Holdings
A Singapore-based provider of advanced semiconductor chip testing services that has embedded itself in chipmaker Intel's global supply chain.

3.2%
Total assets

Park Systems Corporation
The Korean company is the leading developer of atomic force microscopes, a nascent technology that could have broad industrial application in sectors such as chip-making and biotechnology. The company's financials are sound, despite significant upfront sales and distribution costs. This provides a solid base for earnings to grow when orders return.

3.2%
Total assets

Pacific Basin Shipping
Pacific Basin is a Hong Kong-based dry bulk shipping group with a favourable demand outlook, supported by an improving global economy and reopening prospects.

3.0%
Total assets

MOMO.com
Momo, the largest online retailer in Taiwan, serves as a nice proxy for consumer growth in the country, as it is benefiting from the shift to online from both consumers and vendors.

3.0%
Total assets

Sinoma Science & Technology - A
One of the largest wind turbine blade producers in China and the third largest battery separator maker, which is backed by strong R&D capability and support from its parent group. We view the stock as a proxy for the growth of wind energy.

2.9%
Total assets

FPT Corporation
FPT is a diversified technology group with a fast-growing software outsourcing business. It also owns a telecoms unit, an electronics retailing company, and has interests in other sectors, such as education. We are upbeat about the profitability prospects of the various segments, given its entrepreneurial management.

2.8%
Total assets

Nam Long Invst Corporation
A reputable Vietnamese developer in Ho Chi Minh City that focuses on the affordable housing segment, with decent land bank and promising project pipeline.

2.8%
Total assets

Medikaloka Hermina
Medikaloka Hermina is the leading hospital chain in Indonesia built for the mass market, being the lowest cost operator that has been able to make decent margins at lower charges. It is well positioned for the growing penetration and awareness of health care in the country.

Portfolio

As at 31 July 2022

Company	Industry	Country	Valuation 2022 £'000	Total assets %	Valuation 2021 £'000
Affle India	Media	India	18,847	3.5	17,554
AKR Corporindo	Oil, Gas & Consumable Fuels	Indonesia	18,389	3.5	9,589
AEM Holdings	Semiconductors & Semiconductor Equipment	Singapore	17,802	3.3	14,267
Park Systems Corporation	Electronic Equipment, Instruments & Components	South Korea	17,120	3.2	21,736
Pacific Basin Shipping	Marine	Hong Kong	17,104	3.2	24,170
MOMO.com	Internet & Direct Marketing Retail	Taiwan	16,160	3.0	33,767
Sinoma Science & Technology – A	Chemicals	China	15,756	3.0	–
FPT Corporation	IT Services	Vietnam	15,444	2.9	12,894
Nam Long Invest Corporation	Real Estate Management & Development	Vietnam	15,030	2.8	15,279
Medikaloka Hermina	Health Care Providers & Services	Indonesia	14,656	2.8	11,704
Top ten investments			**166,308**	**31.2**	
Cyient	Software	India	14,016	2.6	17,445
M.P. Evans Group	Food Products	United Kingdom	13,857	2.6	11,660
Aegis Logistics	Oil, Gas & Consumable Fuels	India	13,716	2.6	13,799
Dah Sing Financial Holdings	Banks	Hong Kong	13,682	2.6	11,709
Mega Lifesciences (Foreign)	Pharmaceuticals	Thailand	13,524	2.6	10,578
Bank OCBC NISP	Banks	Indonesia	13,356	2.5	13,593
Joinn Laboratories China	Life Sciences Tools & Services	China	12,745	2.4	–
UIE	Food Products	Denmark	12,352	2.3	10,157
Oriental Holdings	Automobiles	Malaysia	12,281	2.3	8,792
Precision Tsugami China Corporation	Machinery	China	11,973	2.2	12,403
Top twenty investments			**297,810**	**55.9**	

Portfolio

Continued

As at 31 July 2022

Company	Industry	Country	Valuation 2022 £'000	Total assets %	Valuation 2021 £'000
Sunonwealth Electric Machinery Industry	Machinery	Taiwan	11,071	2.1	10,423
Asian Terminals	Transportation Infrastructure	Philippines	10,161	1.9	9,852
Millennium & Copthorne Hotels New Zealand[A]	Hotels, Restaurants & Leisure	New Zealand	9,808	1.8	10,626
AEON Credit Service (M)	Consumer Finance	Malaysia	9,701	1.8	7,553
Cebu Holdings	Real Estate Management & Development	Philippines	9,664	1.8	12,069
Bukit Sembawang Estates	Real Estate Management & Development	Singapore	9,322	1.7	9,186
Sporton International	Professional Services	Taiwan	9,123	1.7	9,619
Ultrajaya Milk Industry & Trading	Food Products	Indonesia	9,030	1.7	8,525
Hana Microelectronics (Foreign)	Electronic Equipment, Instruments & Components	Thailand	8,736	1.7	14,304
IPH	Professional Services	Australia	7,940	1.5	–
Top thirty investments			**392,366**	**73.6**	
John Keells Holdings	Industrial Conglomerates	Sri Lanka	7,640	1.4	13,941
Prestige Estates Projects	Real Estate Management & Development	India	7,162	1.3	5,521
Sanofi India	Pharmaceuticals	India	6,770	1.3	9,243
Syngene International	Life Sciences Tools & Services	India	6,521	1.2	3,976
LEENO Industrial	Semiconductors & Semiconductor Equipment	South Korea	6,322	1.2	–
Yoma Strategic Holdings	Real Estate Management & Development	Myanmar	5,943	1.1	5,392
Shangri-La Hotels Malaysia	Hotels, Restaurants & Leisure	Malaysia	5,867	1.1	5,740
United Plantations	Food Products	Malaysia	5,815	1.1	5,097
Taiwan Union	Electronic Equipment, Instruments & Components	Taiwan	5,778	1.1	10,693
Vijaya Diagnostic Centre	Health Care Providers & Services	India	5,645	1.1	–
Top forty investments			**455,829**	**85.5**	

As at 31 July 2022

Company	Industry	Country	Valuation 2022 £'000	Total assets %	Valuation 2021 £'000
Absolute Clean Energy (Foreign)	Independent Power and Renewable Electricity Producers	Thailand	5,115	1.0	7,313
Koh Young Technology	Semiconductors & Semiconductor Equipment	South Korea	4,879	0.9	8,347
Nanofilm Technologies International	Chemicals	Singapore	4,856	0.9	13,347
Pentamaster International	Semiconductors & Semiconductor Equipment	Malaysia	4,850	0.9	4,271
Tisco Financial Group (Foreign)	Banks	Thailand	4,827	0.9	5,154
KMC Kuei Meng International	Leisure Products	Taiwan	4,560	0.9	3,315
Convenience Retail Asia	Food & Staples Retailing	Hong Kong	4,314	0.8	3,467
NZX	Capital Markets	New Zealand	4,253	0.8	6,427
Aspeed Technology	Semiconductors & Semiconductor Equipment	Taiwan	3,652	0.7	5,543
Tatva Chintan Pharma	Chemicals	India	3,565	0.7	2,132
Top fifty investments			**500,700**	**94.0**	
Andes Technology	Semiconductors & Semiconductor Equipment	Taiwan	3,470	0.6	–
Nazara Technologies	Entertainment	India	3,434	0.6	5,583
Credit Bureau Asia	Professional Services	Singapore	3,228	0.6	3,778
Ecloudvalley Digital Technology	IT Services	Taiwan	3,180	0.6	5,142
Douzone Bizon	Software	South Korea	3,108	0.6	4,157
Thai Stanley Electric (Foreign)	Auto Components	Thailand	2,912	0.5	4,680
CE Info Systems	Software	India	2,421	0.5	–
Manulife Holdings	Insurance	Malaysia	1,675	0.3	1,561
AEON Stores Hong Kong	Multiline Retail	Hong Kong	279	0.1	473
First Sponsor Group (Warrants 21/03/2029)	Real Estate Management & Development	Singapore	276	0.1	303
Top sixty investments			**524,683**	**98.5**	

Portfolio

Continued

As at 31 July 2022

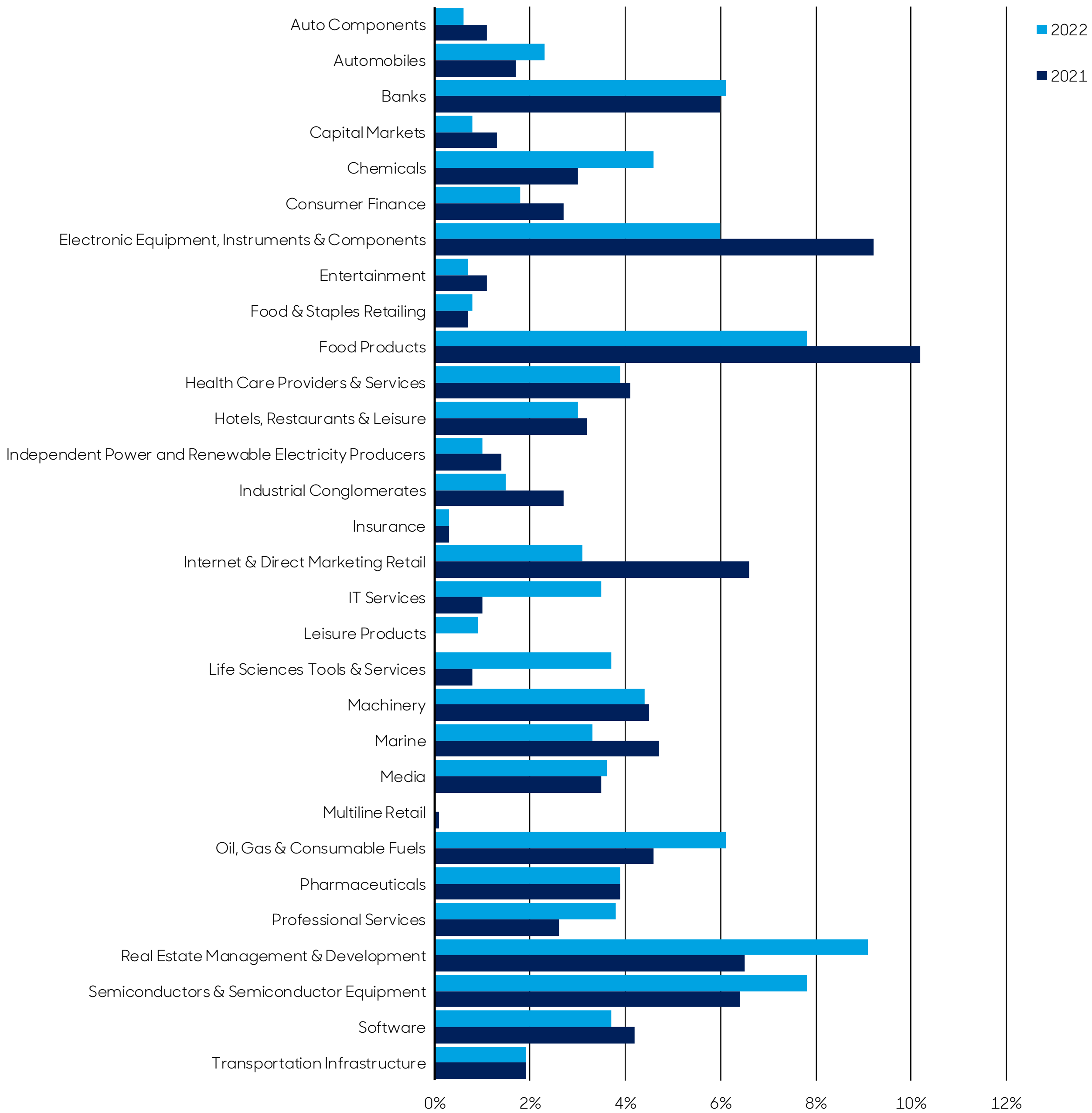
Company	Industry	Country	Valuation 2022 £'000	Total assets %	Valuation 2021 £'000
First Sponsor Group (Warrants 30/05/2024)	Real Estate Management & Development	Singapore	158	–	32
G3 Exploration	Oil, Gas & Consumable Fuels	China	–	–	–
Total investments			**524,841**	**98.5**	
Net current assets			8,071	1.5	
Total assets[B]			**532,912**	**100.0**	

[A] Holding includes investment in both common and preference lines.
[B] Total assets less current liabilities.

Sector/Geographical Analysis

As at 31 July 2022

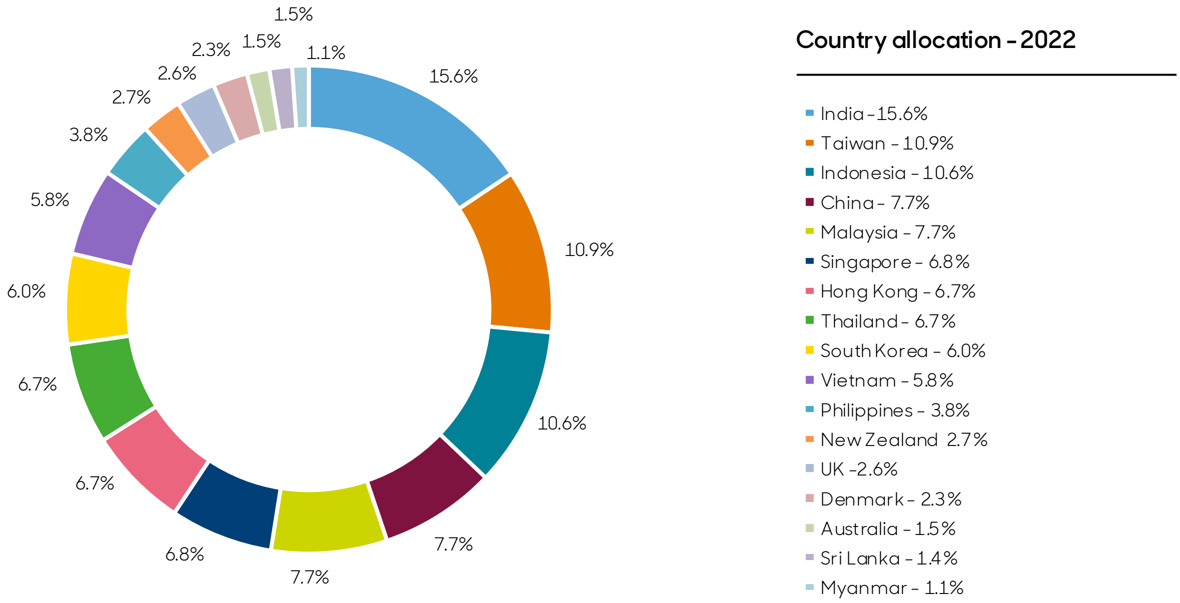
Sector Breakdown

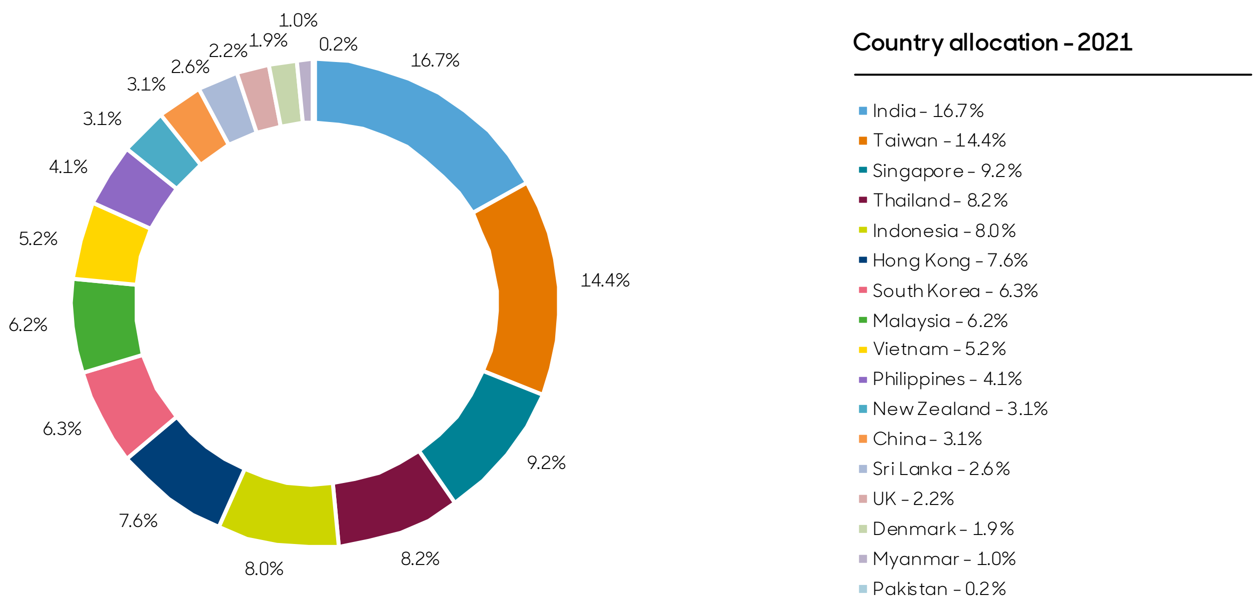


Sector/Geographical Analysis

Continued

Geographic Breakdown



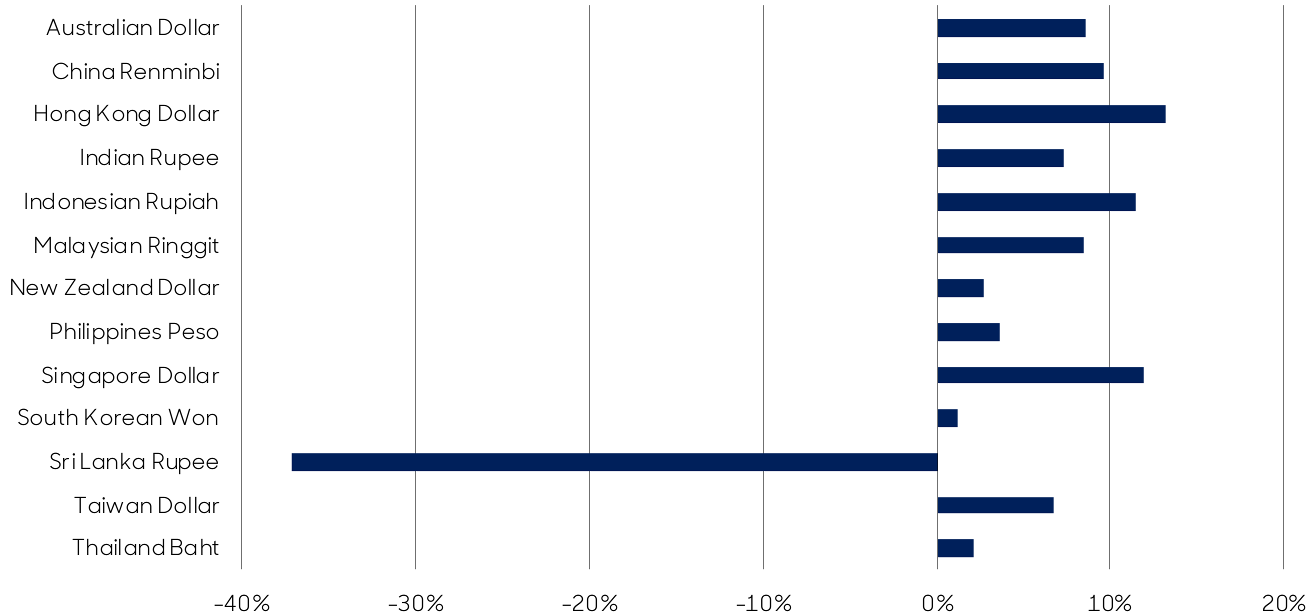


Reflects country of listing.

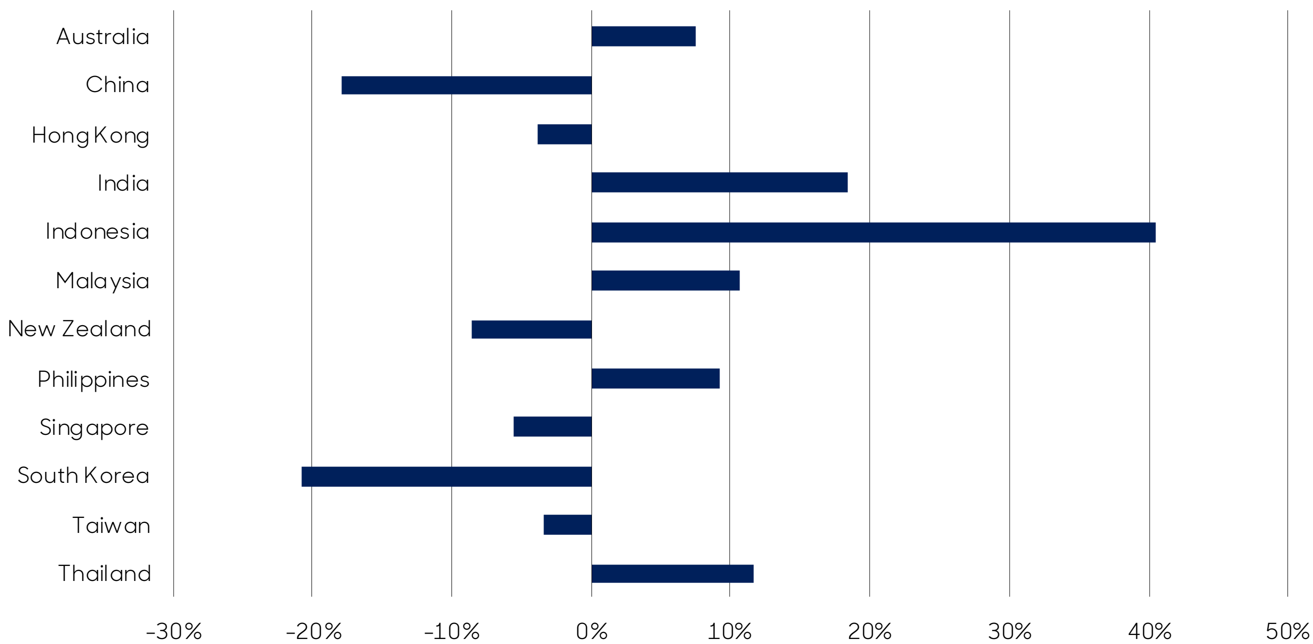
Currency/Market Performance

Year to 31 July 2022

Currency Returns (in Sterling Terms)



MSCI Country Index Total Returns (in Sterling terms)



Investment and ESG Case Studies

AKR Coporindo

In which year did we first invest?
2019

% Holding:
3.65%

Where is their head office?
Jakarta, Indonesia

What is their web address?
www.akr.co.id

What does the company do?
Founded as a small chemical trading business in Surabaya and established as Aneka Kimia Raya in 1977, AKR is now a leading distributor of chemicals, fuel and lubricants across Indonesia. It also offers logistics and transport services.

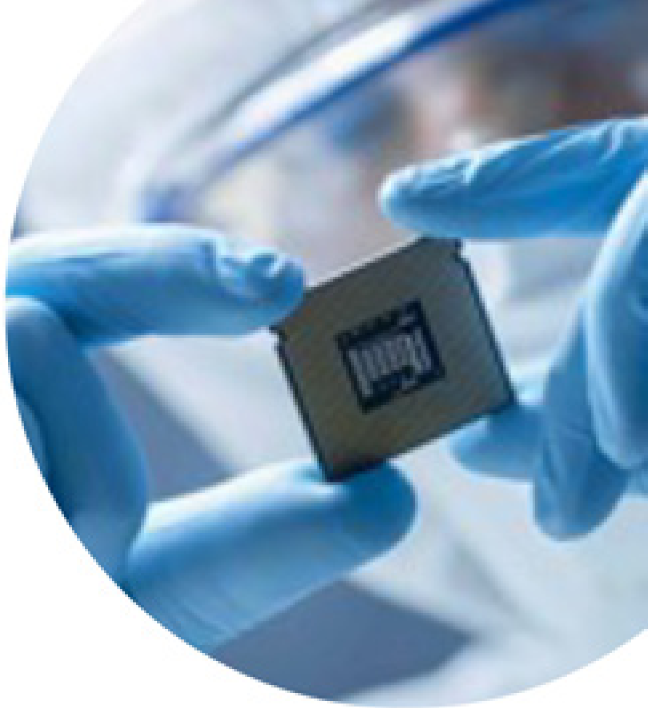
Why do we like the investment?
We view AKR as a good proxy for the growth of Indonesia, which is rich in natural resources and has a young and expanding workforce as well as a large domestic market. AKR's fundamentals also impress us. Its core petroleum and chemicals-distribution businesses are growing steadily, benefitting from increased mining activity and volumes in the current commodity cycle. On top of that, its retail fuel business with BP is progressing on track. AKR is among the main players in an industry with high entry barriers, with its competitive edge enhanced by extensive infrastructure and logistics facilities across the country. With all this, AKR generates robust free cash flow and has a solid balance sheet, which help sustain a decent dividend yield of around 4%. Management is open to using its strong cash position to pay down debt, finance capex and increase its dividend payments in future.

Looking ahead, a key growth driver would be the unlocking of value via land sales at its Jakarta Integrated Industrial Port Estate (JIIPE), a joint venture with Pelindo. JIIPE sprawls across 1,800 hectares of land, including a 400-hectare port, in Gresik, East Java. It is one of the few integrated industrial estates in Indonesia with dedicated deep-sea port access and utilities support, such as power, water, gas piping waste treatment and telecommunication facilities. It also has direct toll road and railway connections. Furthermore, in mid-2021, JIIPE was designated a special economic zone for the technology and manufacturing sectors.

To date, most of the investments in JIIPE have been completed, and the industrial estate is now entering its monetisation phase with its portion of group profits on the rise. JIIPE has already booked 3.5 hectares of land sales in the first half of 2022, with another 37 hectares expected to be booked in the second half. Management expects JIIPE to deliver 60 hectares of land sales in 2023, given keen interest from potential buyers. Aside from land sales, the company has also started to book rental income for laydown areas assigned to smelter construction.

On the ESG front, AKR's increasing focus on sustainability is reflected in its green initiatives. At JIIPE, for example, the use of sensors and timers help reduce energy consumption, while most of the street lighting is powered by solar panels. As for carbon emissions, management is working on a 10-year plan to invest in its fleet and technology in order to reduce scope 1 and 2 emissions and achieve net-zero status. Meanwhile, on the social aspect, the company emphasises equal opportunity. Its board of directors, for instance, has three women among the eight directors.

Photo: AKR Corporindo



Cyient

In which year did we first invest?
2018

% Holding:
2.77%

Where is their head office?
Hyderabad, India

What is their web address?
www.cyient.com

What does the company do?
Cyient provides engineering and IT services to clients mainly in developed markets, in areas such as automation, innovation and manufacturing among others. Its core business is engineering research and development, which has plenty in common with the software outsourcing industry. More companies are outsourcing high-end, complex engineering work to places like India, where there is an abundant availability of skilled engineers at comparatively lower costs, benefitting service providers like Cyient. Founded in 1991, Cyient won its first major foreign contract in 1999, worth about US$5.5 million. Its key verticals include transportation, communications and utilities.

Why do we like the investment?
We think Cyient is a good value play in the Indian engineering research and development services sector. Specifically, we like Cyient because of its strong financials – the business is able to generate free cash flow with very healthy yields. Margins have also steadily recovered post Covid, driven by operating leverage, increased offshoring and higher utilisation of capacity.

The company is taking the right steps towards delivering more consistent and profitable growth by focusing on a few key industry segments as well as new leadership and organisational changes. Its venture into the automotive industry is promising, given it is one of the fastest growing verticals for the sector. Consistent performance and delivery leave the door open for significant re-rating potential for the company.

On the leadership front, Cyient hired a new Chief Operating Officer in 2020 who introduced a slew of changes, including some internal restructuring and quarterly reviews for performance accountability. So far, the progress has been encouraging, with order intakes improving towards pre-pandemic levels and reducing the company's reliance on top clients to drive growth. The number of larger accounts won – those in the range of US$1 million-US$20 million – has also gone up steadily, while order inflows continue to look robust, with a generally upbeat outlook across most verticals.

Broadly, firms in this industry are expected to see strong demand due to an accelerated shift towards digital engineering, as the world progressively moves towards smart and connected products. India's share of engineering, research & development offshore penetration is expected to rise over the next decade, playing catch up to IT services where the country is a global leader. Due to talent scarcity globally for niche digital skills, Indian companies are expected to benefit from increased offshoring of projects given its strong engineering talent base.

On the ESG front, there have been concerns over Cyient's defence-related businesses, but the company has de-emphasised its past work in the defence industry. It has indicated further that it currently does minimal work for the Indian government. While Cyient does not have a formal ESG rating from MSCI, a controversy report from MSCI did not identify any major issues.

Cyient has a dedicated annual sustainability report to showcase the company's ESG initiatives – the board of directors provides leadership for Cyient's sustainability agenda and is supported by a committee and a working group that acts as a bridge with the implementation team. For example, in its latest sustainability report, the company disclosed an initiative to install rooftop solar panels at three of its facilities in India. The project resulted in an additional power supply of 400 kilowatts to replace the use of grid electricity.

Investment and ESG Case Studies

Continued

MP Evans

In which year did we first invest?
2006

% Holding:
2.74%

Where is their head office?
Kent, UK

What is their web address?
www.mpevans.co.uk

What is the attraction of M.P. Evans?
M.P. Evans is an Indonesian producer of sustainable crude palm oil (CPO), with one of the healthiest production profiles in the industry. It has roughly 40,000 hectares of oil palm tree planted areas that are spread across seven different locations in Sumatra and Kalimantan, with an average tree age of about nine years.

The company has a strong balance sheet, driven by stronger average selling prices and manageable levels of cost, as well as relatively low capital expenditure due to its young tree profile. Above-average productivity and relatively low operating cost track record suggest that management has successfully established the right planting blueprint, infrastructure and ecosystem for its estates, and enhances our confidence in the company's ability.

What have our engagement efforts been focused on?
We have discussed with the company the benefit of better visibility and public perception around M.P. Evans' ESG commitments and ways that can be done. For example, the company commissioned University of Indonesia to do a baseline study of some of its newer plantations, from which it can monitor impact over time.

Further, we have provided inputs on the 2020 sustainability report the firm produced, where we encouraged it to report alignment on its operations with respect to the United Nations' Sustainable Development Goals and the company did so.

As an example, M.P. Evans outlined its policies and guidelines around forest protection and reducing greenhouse gas emissions that are not only aligned to the UN SDGs, but stand out in an industry that is associated with cutting down tropical rainforests and destroying habitats of endangered species.

The company trains workers to respond quickly to any fires on the plantations; it raises awareness in areas like habitat preservation, bans hunting on all estates and high conservation value areas as well as expanding its biogas capacity to reduce the carbon footprint. New developments take place in heavily degraded areas that are not forested or suitable for habitats, while burning of vegetation and old palms to clear land is prohibited. In addition, the company has policies in place to prevent any forms of forced labour or child labour – another issue that has blighted some of M.P. Evans' peers in recent years.

Moreover, M.P. Evans is a member of the Roundtable on Sustainable Palm Oil (RSPO) and has helped to develop a framework to produce Certified Sustainable Palm Oil (CSPO). All of the company's existing mills are certified and company policy dictates new mills have to achieve RSPO certification as soon as possible after commencing operations. M.P. Evans also has policies in place to promote zero waste and to support smallholder communities and co-operatives – including by persuading independent smallholders to commit to producing their crop in line with the RSPO Independent Smallholder standard.

We also often discuss the board of directors and its refreshment, and this is playing out. For example, on August 1, 2022, the company appointed a new director to the board with extensive experience working in ESG roles.

How do we rate M.P. Evans' ESG capabilities?
Even though M.P. Evans is not rated by MSCI, its ESG practices and disclosures are comparable – and in many ways ahead of – its larger peers. Though the group last published its sustainability report in 2020, we note that it is relatively proactive in the management of ESG risks, led by the CEO personally, disclosing unresolved grievances, issues as well as progress of its ESG metrics on its website. We will continue to engage with the company to improve disclosures.

Absolute Clean Energy

In which year did we first invest?
2019

% Holding:
1.02%

Where is their head office?
Bangkok, Thailand

What is their web address?
www.ace-energy.co.th

What is the attraction of ACE?
ACE produces bio-waste energy and has a good track record in operating 13 power plants, with another 20 in the pipeline. Furthermore, government measures to promote renewable energy support its ambitious growth plans, and we are impressed by management's focus and technical know-how.

What have our engagement efforts been focused on?
We have focused mainly on the environmental and governance pillars through our regular engagement with ACE. We are monitoring the environmental impact of ACE's various power plants and how the company handles waste and exhaust from its plants. On governance, we have been looking at supply-chain management and innovation through its operations, as well as the handling of government relations given this is a family-controlled business.

How do we rate ACE's ESG capabilities?
Despite being in the utilities sector – which has relatively higher carbon emissions – we think ACE has done well on mitigating its environmental impact and managing its greenhouse-gas emissions efficiently through technology. The company has prioritised the environmental pillar in its sustainability matrix, reflecting its close attention to this area. So far, ACE has made good progress on improving its biomass and waste-to-energy (WTE) plant efficiency, using carbon capture technology to limit carbon emissions. The company treats water from waste in its waste-water treatment facilities located in its plants and reuses the water as part of its steam-cooling system. In addition, ACE's sophisticated know-how in biomass plants and more efficient power generation also help reduce feedstock usage and its environmental footprint.

In terms of stakeholder relationships, ACE emphasises transparency in its dealings with its feedstock suppliers and avoids being overly dependent on any one supplier. The company is also focused on minimising the impact of its plants on local communities, with the only plant exhaust being controlled-temperature steam cooled by re-using treated waste water. ACE also carries out research and development on energy-rich wood and the cloning of fuel-efficient plants to support farmers across the country.

Governance

The business of the Company is that of an investment trust investing in the economies of Asia excluding Japan. The Directors do not envisage any change in this activity in the foreseeable future. The Company is registered as a public limited company in England and Wales and is an investment company as defined by Section 833 of the Companies Act 2006. The Company is also a member of the Association of Investment Companies

Board of Directors

Nigel Cayzer
Independent Non-Executive Chairman

Experience:
Chairman of Oryx International Growth Fund Limited and a director of a number of other companies.

Length of service:
27 years, appointed Chairman on 28 September 1995

Last re-elected to the Board:
27 January 2022

Committee membership:
Nomination Committee (Chairman) and Management Engagement Committee

Remuneration:
£35,500 per annum

All other public company directorships:
Oryx International Growth Fund Limited

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shareholding in Company:
Nil

Charlotte Black
Independent Non-Executive Director

Experience:
A Fellow of the Chartered Institute for Securities & Investment and an independent public affairs consultant. She was until 2015 director, corporate affairs at Brewin Dolphin Holdings PLC, having previously served within that company as marketing director and in investment management roles. She has served on the boards of a number of industry related entities including The Wealth Management Association, The Chartered Institute for Securities & Investment and Euroclear PLC.

Length of service:
3 years 10 Months, appointed a Director on 16 January 2019

Last re-elected to the Board:
27 January 2022

Committee membership:
Audit Committee, Management Engagement Committee and Nomination Committee

Remuneration:
£27,500 per annum

All other public company directorships:
None

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shareholding in Company:
4,790 Ordinary shares

Lindsay Cooper

Independent Non-Executive Director

Experience:
A Singapore permanent resident and member of the Institute of Chartered Accountants of Scotland. Mr Cooper co-founded Arisaig Partners in 1996, an independent Investment Management business where, for 20 years, he had investment responsibility for the Arisaig Asia Consumer Fund. Following semi-retirement Mr Cooper founded Chic & Unique Pte Ltd, a boutique hotels and hospitality business in Asia and Europe and, more recently, founded Chi Tree Health, in Singapore. Mr Cooper is also involved in two charities, Magic Bus Global and Angkor Hospital for Children (AHC) in Cambodia.

Length of service:
Appointed a Director on 15 June 2022

Last re-elected to the Board:
To be elected at AGM on 30 November 2022

Committee membership:
Audit Committee, Management Engagement Committee and Nomination Committee

Remuneration:
£27,500 per annum

All other public company directorships:
Nil

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shareholding in Company:
Nil

Alex Finn

Independent Non-Executive Director

Experience:
A partner for 27 years in PwC's global financial services practice, retiring on 30 June 2022. During his career at PwC Mr Finn was responsible for the services that PwC provided internationally to a number of its largest global clients, all of which had extensive operations in Asia. He was also responsible for supporting clients in large scale accounting and financial change programmes, was PwC's EMEA insurance leader, sat on its EMEA FS leadership team and led a number of PwC's largest global audit engagements.

Length of service:
Appointed a Director on 13 July 2022

Last re-elected to the Board:
To be elected at AGM on 30 November 2022

Committee membership:
Audit Committee (Chairman), Management Engagement Committee (Chairman) and Nomination Committee

Remuneration:
£30,500 per annum

All other public company directorships:
Cembra Money Bank AG

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shareholding in Company:
Nil

Board of Directors

Continued

Krishna Shanmuganathan

Independent Non-Executive Director

Experience:
Mr Shanmuganathan has had a varied and successful career in diplomacy, asset management, consulting and corporate advisory, with a particular focus on Asia. He now sits on a number of boards, including Weiss Korea Opportunities Fund and St Judes India ChildCare Centres UK.

Length of service:
2 years, appointed a Director on 3 June 2020

Last re-elected to the Board:
Elected on 27 January 2022

Committee membership:
Audit Committee, Management Engagement Committee and Nomination Committee

Remuneration:
£27,500 per annum

All other public company directorships:
Weiss Korea Opportunity Fund

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shareholding in Company:
5,270 Ordinary shares

Randal Alexander McDonnell, Earl of Antrim

Independent Non-Executive Director

Experience:
A partner of Sarasin & Partners LLP responsible for the management of private client and charity portfolios as well as self-invested personal pension schemes. He is chairman of Sarasin's London partnership. He is also a non-executive director of a number of other private companies.

Length of service:
9 years, appointed a Director on 1 July 2013

Last re-elected to the Board:
27 January 2022

Committee membership:
Management Engagement Committee, Nomination Committee and Audit Committee

Remuneration:
£27,500 per annum

All other public company directorships:
None

Employment by the Manager:
None

Other connections with Trust or Manager:
None

Shareholding in Company:
4,000 Ordinary shares

Directors' Report

The Directors present their Report and the audited financial statements for the year ended 31 July 2022.

Change of Name

On 4 April 2022 the Company changed its name from Aberdeen Standard Asia Focus PLC to abrdn Asia Focus plc.

Results and Dividends

Details of the Company's results and proposed dividends are shown on pages 4 and 5 of this Report.

Investment Trust Status

The Company (registered in England & Wales No. 03106339) has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 August 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 July 2022 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

The Company has conducted its affairs so as to satisfy the requirements as a qualifying security for Individual Savings Accounts. The Directors intend that the Company will continue to conduct its affairs in this manner.

Capital Structure, Buybacks and Issuance

The Company's capital structure is summarised in note 14 to the financial statements. On 4 February 2022 the Company completed a five for one share split and shareholders received five New Ordinary Shares of 5p each in exchange for each existing Ordinary Share of 25p held as at the close of business on 3 February 2022. The new Ordinary shares of 5p each retained the Stock Exchange ticker (AAS) but were assigned a new ISIN and SEDOL as follows:

New ISIN: GB00BMF19B58

New SEDOL: BMF19B5

At 31 July 2022, there were 156,953,631 fully paid Ordinary shares of 5p each (2021 – 31,189,684 Ordinary shares of 25p each) in issue with a further 51,744,590 Ordinary shares of 5p held in treasury (2021 – 10,348,918 Ordinary shares of 25p each held in treasury). During the year no Ordinary shares were purchased in the market for treasury (2021 – 1,055,000 Ordinary shares of 25p each purchased for treasury). During the period and up to the date of this report no new Ordinary shares were issued for cash and no shares were sold from or purchased into treasury.

On 14 December 2021, 13,764 units of Convertible Unsecured Loan Stock 2025 were converted into 935 new Ordinary shares of 25p each. On 14 June 2022 1,579 units of Convertible Unsecured Loan Stock 2025 were converted into 536 new Ordinary shares of 5p each. In accordance with the terms of the CULS Issue, (subsequently adjusted to reflect the share split in February 2022), the conversion price of the CULS for the December conversion was determined at 1465.0p nominal of CULS for one Ordinary share of 25p and the conversion price for the June conversion was determined at 293.0p nominal of CULS for one Ordinary share of 5p.

Voting Rights

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends. On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

CULS holders have the right to attend but not vote at general meetings of the Company. A separate resolution of CULS holders would be required to be passed before any modification or compromise of the rights attaching to the CULS can be made.

Gearing

On 1 December 2020 the Company issued a £30 million 15 year Senior Unsecured Loan Note (the "Loan Note") at an annualised interest rate of 3.05%. The Loan Note is unsecured, unlisted and denominated in sterling. The Loan Note ranks pari passu with the Company's other unsecured and unsubordinated financial indebtedness. The Company used the proceeds of the Loan Note issue to repay, and cancel in full, the Company's loan facility with RBS and the remainder was invested in the portfolio by the Investment Manager.

Management Agreement

The Company has appointed abrdn Fund Managers Limited ("aFML"), a wholly owned subsidiary of abrdn plc, as its alternative investment fund manager. aFML has been appointed to provide investment management, risk management, administration and company secretarial services and promotional activities to the Company. The Company's portfolio is managed by abrdn Asia Limited ("abrdn Asia") by way of a group delegation agreement in place between aFML and abrdn Asia. In addition, aFML has sub-delegated administrative and secretarial services to Aberdeen Asset Management PLC and promotional activities to Aberdeen Asset Managers Limited ("AAML").

Management Fee

With effect from 1 August 2021 the annual management fee has been charged at 0.85% for the first £250,000,000, 0.60% for the next £500,000,000 and 0.50% over £750,000,000 . Previously, the monthly management fee was charged at 0.08%. Investment management fees are charged 25% to revenue and 75% to capital.

The management agreement may be terminated by either the Company or the Manager on the expiry of three months' written notice (reduced from 12 months). On termination, the Manager would be entitled to receive fees which would otherwise have been due to that date.

The Management Engagement Committee reviews the terms of the management agreement on a regular basis and have confirmed that, due to the long-term relative performance, investment skills, experience and commitment of the investment management team, in their opinion the continuing appointment of aFML and abrdn Asia is in the interests of shareholders as a whole.

Political and Charitable Donations

The Company does not make political donations (2021 - nil) and has not made any charitable donations during the year (2021 – nil).

Risk Management

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 19 to the financial statements.

The Board

The current Directors, N K Cayzer, Randal Dunluce (The Earl of Antrim), C Black, K Shanmuganathan, L Cooper (appointed 15 June 2022) and A Finn (appointed 13 July 2022), together with D Guthrie who resigned on 13 April 2022, were the only Directors who served during the year. During the period Viscount Dunluce succeeded to the title Earl of Antrim following the death of his father. Pursuant to Principle 23 of the AIC's Code of Corporate Governance which recommends that all directors should be subject to annual re-election by shareholders, all the members of the Board will retire at the AGM scheduled for 30 November 2022 and will offer themselves for re-election. Details of each Director's contribution to the long term success of the Company are provided on page 50.

The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all the Directors contribute effectively.

In common with most investment trusts, the Company has no employees. Directors' & Officers' liability insurance cover has been maintained throughout the year at the expense of the Company.

The Role of the Chairman

The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses.   The Chairman also engages with major shareholders and ensures that all Directors understand shareholder views.

The Company has not appointed a senior independent director. Accordingly the Audit Committee Chairman in combination with the other independent Directors fulfils the duties of the senior independent director, acting as a sounding board for the Chairman and acting as an intermediary for other directors as applicable. The Audit Committee Chairman is also available to shareholders to discuss any concerns they may have.

Corporate Governance

The Company is committed to high standards of corporate governance. The Board is accountable to the Company's shareholders for good governance and this statement describes how the Company has applied the principles identified in the UK Corporate Governance Code as published in July 2018 (the "UK Code"), which is available on the Financial Reporting Council's (the "FRC") website: **frc.org.uk.**

The Board has also considered the principles and provisions of the AIC Code of Corporate Governance as published in February 2019 (the "AIC Code"). The AIC Code addresses the principles and provisions set out in the UK Code, as well as setting out additional provisions on issues that are of specific relevance to the Company. The AIC Code is available on the AIC's website: theaic.co.uk.

The Board considers that reporting against the principles and provisions of the AIC Code, which has been endorsed by the FRC provides more relevant information to shareholders.

The Board confirms that, during the year, the Company complied with the principles and provisions of the AIC Code and the relevant provisions of the UK Code, except as set out below.

1. Interaction with the workforce (provisions 2, 5 and 6);
2. the role and responsibility of the chief executive (provisions 9 and 14);
3. previous experience of the chairman of a remuneration committee (provision 32);
4. executive directors' remuneration (provisions 33 and 36 to 40);
5. senior independent director (provision 12); and
6. tenure of the Chairman (provision 19).

For the reasons set out in the AIC Code, and as explained in the UK Corporate Governance Code, the Board considers that provisions 1 to 4 above are not relevant to the position of the Company, being an externally-managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of provisions 1 to 4 above. The tenure of the Chairman is discussed further under 'Policy on Tenure', below. The full text of the Company's Corporate Governance Statement can be found on the Company's website: asia-focus.co.uk.

During the year ended 31 July 2022, the Board had six scheduled meetings. In addition, the Audit Committee met twice and the Management Engagement Committee met once and there has been a number of ad hoc Board meetings to discuss investment strategy. Between meetings the Board maintains regular contact with the Manager. Directors have attended the following scheduled Board meetings and Committee meetings during the year ended 31 July 2022 (with their eligibility to attend the relevant meeting in brackets):

Director	Board	Audit Com	Nomination Com	Management Engagement Com
N Cayzer [A]	6 (6)	n/a	3 (3)	1 (1)
C Black	6 (6)	2 (2)	3 (3)	1 (1)
Earl of Antrim	6 (6)	2 (2)	3 (3)	1 (1)
D Guthrie [B]	4 (4)	2 (2)	2 (2)	1 (1)
K Shanmuganathan	5 (5)	2 (2)	3 (3)	1 (1)
L. Cooper [C]	1 (1)	0 (0)	1 (1)	0 (0)
A Finn [D]	1 (1)	0 (0)	0 (0)	0 (0)

[A] Mr Cayzer is not a member of the Audit Committee
[B] Ms Guthrie resigned from the Board on 13 April 2022
[C] Mr Cooper was appointed to the Board on 15 June 2022
[D] Mr Finn was appointed to the Board on 13 July 2022

Policy on Tenure – Chairman

The Company's policy, which is kept under very regular review, is in line with the Listing Rules, the Chairman must remain independent of the Manager and the Company. The independent Directors believe that the independence of the Chairman should be judged by the degree to which the interests of the shareholders and stakeholders as a whole are being served. The Directors note that Mr Cayzer will be retiring from the Board at the conclusion of the Annual General Meeting on 30 November 2022 and Mr Shanmuganathan has accepted the Board's invitation to become Chairman from that date.

Policy on Tenure – Directors

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and therefore the length of service will be determined on a case-by-case basis. In accordance with corporate governance best practice, all Directors, including those who have served for more than nine years or who are non-independent, voluntarily offer themselves for re-election on an annual basis.

Board Committees

Audit Committee

The Audit Committee Report is on pages 61 to 63 of this Annual Report.

Nomination Committee

All appointments to the Board of Directors are considered by the Nomination Committee which comprises all of the Directors. The Board's overriding priority in appointing new Directors to the Board is to identify the candidate with the best range of skills and experience to complement existing Directors. The Board also recognises the benefits of diversity and its policy on diversity is referred to in the Strategic Report on pages 18 and 19.

During the year the Nomination Committee conducted a search for two new non executive Directors using the services of Fletcher Jones Limited, an independent recruitment consultant. As part of the search a specification of desired attributes and qualities was prepared and the recruitment process culminated in the appointment of Mr Lindsay Cooper on 15 June 2022 and the appointment of Mr Alex Finn on 13 July 2022.

The Board undertakes an annual evaluation of the Board, Directors, the Chairman and the Audit Committee which is conducted by questionnaires. The 2022 evaluation highlighted certain areas of further focus such as continuing professional development which will be addressed with input where necessary from the Company's advisors. Overall, the Committee has concluded that the Board has an excellent balance of experience, knowledge of investment markets, legal regulation and financial accounting and continues to work in a collegiate and effective manner.

The Nomination Committee has reviewed the contributions of each Director ahead of their proposed election and re-elections at the AGM on 30 November 2022. Notwithstanding that Mr Cayzer intends to retire from the Board at the AGM on 30 November 2022, the Committee wishes to reiterate its belief that Mr Cayzer remains independent of the Manager. Ms Black has brought significant financial promotion and marketing expertise to the Board and has been closely involved in the redevelopment of the Company's website during the year; the Earl of Antrim has continued to bring detailed wealth management investment experience and insight to the Board; and Mr Shanmuganathan has continued to bring his deep experience of Asia as well as significant strategic and financial vision to the Board. Although Mr Cooper and Mr Finn were appointed to the Board immediately prior to the Company's year end they have already settled into their roles seamlessly and, respectively, are bringing excellent regional/investment experience and expert relevant and recent accounting and financial experience to the Board. For the foregoing reasons, the independent members of the Nomination Committee have no hesitation in recommending the election/re-election of each Director who will be submitting themselves for re-election at the AGM on 30 November 2022.

Management Engagement Committee

The Management Engagement Committee comprises all of the Directors and was chaired by Ms Guthrie up to her resignation in April 2022 and subsequently by the Chairman. The Committee is now chaired by Mr Finn following his appointment to the Board on 13 July 2022. The Committee is responsible for reviewing the performance of the Investment Manager and its compliance with the terms of the management and secretarial agreement. The terms and conditions of the Investment Manager's appointment, including an evaluation of fees, are reviewed by the Committee on an annual basis. The Committee believes that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole.

Remuneration Committee

Under the UK Listing Authority rules, where an investment trust has only non-executive directors, the Code principles relating to directors' remuneration do not apply. Accordingly, matters relating to remuneration are dealt with by the full Board, which acts as the Remuneration Committee, and is chaired by the Chairman.

The Company's remuneration policy is to set remuneration at a level to attract individuals of a calibre appropriate to the Company's future development. Further information on remuneration is disclosed in the Directors' Remuneration Report on pages 56 to 59.

Terms of Reference

The terms of reference of all the Board Committees may be found on the Company's website asia-focus.co.uk and copies are available from the Company Secretary upon request. The terms of reference are reviewed and re-assessed by the Board for their adequacy on an annual basis.

Internal Control

In accordance with the Disclosure and Transparency Rules (DTR 7.2.5), the Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness and confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements. It is regularly reviewed by the Board and accords with the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed.

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

Risks are identified and documented through a risk management framework by each function within the abrdn Group's activities. Risk includes financial, regulatory, market, operational and reputational risk. This helps the internal audit risk assessment model identify those functions for review. Any weaknesses identified are reported to the Board, and timetables are agreed for implementing improvements to systems. The implementation of any remedial action required is monitored and feedback provided to the Board.

The significant risks faced by the Company have been identified as being financial; operational; and compliance-related.

The key components of the process designed by the Directors to provide effective internal control are outlined below:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Manager and Investment Manager as appropriate;
- as a matter of course the Manager's compliance department continually reviews abrdn's operations and reports to the Board on a six monthly basis;

Directors' Report

Continued

- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers and, where relevant, ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations, or their equivalents are reviewed;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within abrdn, has decided to place reliance on the Manager's systems and internal audit procedures; and
- at its September 2022 meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 31 July 2022 by considering documentation from the Manager, Investment Manager and the Depositary, including the internal audit and compliance functions and taking account of events since 31 July 2022. The results of the assessment, that internal controls are satisfactory, were then reported to the Board at the next Board meeting.

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

Going Concern

In accordance with the Financial Reporting Council's guidance the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist of equity shares in companies listed on recognised stock exchanges and are considered by the Board to be realisable within a relatively short timescale under normal market conditions. The Board has set overall limits for borrowing and reviews regularly the Company's level of gearing, cash flow projections and compliance with banking covenants. The Board has also reviewed stress testing and liquidity analysis covering the impact of significant historical market events such as the 1997 Asian Crisis and 2008 Global Financial Crisis on the liquidity of the portfolio to ensure that even in significant negative markets the Company would still be able to raise sufficient capital to repay its liabilities.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report on pages 16 to 18 and they believe that the Company has adequate financial resources to continue its operational existence for a period of not less than 12 months from the date of approval of this Annual Report. They have arrived at this conclusion having confirmed that the Company's diversified portfolio of realisable securities is sufficiently liquid and could be used to meet short-term funding requirements were they to arise, including in current market conditions caused by the Covid-19 pandemic and the conflict in Ukraine. The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 18 to the financial statements. No other Directors had any interest in contracts with the Company during the period or subsequently.

The Board has adopted appropriate procedures designed to prevent bribery. The Company receives periodic reports from its service providers on the anti-bribery policies of these third parties. It also receives regular compliance reports from the Manager.

The Criminal Finances Act 2017 introduced a new corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all of its business in an honest and ethical manner. The Board takes a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country.

Accountability and Audit

The respective responsibilities of the Directors and the auditors in connection with the financial statements are set out on pages 60 and 71 respectively.

Each Director confirms that:

- so far as he or she is aware, there is no relevant audit information of which the Company's auditors are unaware; and,
- each Director has taken all the steps that they could reasonably be expected to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Additionally there have been no important events since the year end that impact this Annual Report.

The Directors have reviewed the independent auditors' procedures in connection with the provision of non-audit services. No non audit services were provided by the independent auditors during the year and the Directors remain satisfied that the auditors' objectivity and independence has been safeguarded.

Independent Auditors

At the January 2022 AGM shareholders approved the re-appointment of PricewaterhouseCoopers LLP ("PwC") as independent auditors to the Company. PwC has expressed its willingness to continue to be the Company's auditors and a Resolution to re-appoint PwC as the Company's auditors and to authorise the Directors to fix the auditors' remuneration will be put to the forthcoming Annual General Meeting.

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at 31 July 2022:

Shareholder	No. of Ordinary shares held	% held
City of London Investment Management Company	35,545,725	22.7
Allspring Global Investments	17,499,145	11.2
Interactive Investor (non-beneficial)	12,730,109	8.1
abrdn Savings Scheme (non-beneficial)	12,603,327	8.0
Hargreaves Lansdown (non-beneficial)	11,495,052	7.3
Funds managed by abrdn	6,506,327	4.2
Charles Stanley	5,643,336	3.6
1607 Capital Partners	5,139,291	3.3

On 16 September 2022 the Company received notice that City of London Investment Management Company had increased its interest to 36,113,225 Ordinary shares, representing 23.0% of the issued capital. There have been no other significant changes notified in respect of the above holdings between 31 July 2022 and 14 October 2022.

The UK Stewardship Code and Proxy Voting

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the AIFM which has sub-delegated that authority to the Manager.

The Manager is a tier 1 signatory of the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report is widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Manager's freephone information service and the Company's website asia-focus.co.uk. The Company responds to letters from shareholders on a wide range of issues.

Directors' Report

Continued

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the abrdn Group (either the Company Secretary or the Manager) in situations where direct communication is required and usually a representative from the Board meets with major shareholders on an annual basis in order to gauge their views.

The Notice of the Annual General Meeting, included within the Annual Report and financial statements, is sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board or the Manager, either formally at the Company's Annual General Meeting or, where possible, at the subsequent buffet luncheon for shareholders. The Company Secretary is available to answer general shareholder queries at any time throughout the year.

Special Business at the Annual General Meeting

Directors' Authority to Allot Relevant Securities

Approval is sought in Resolution 10, an ordinary resolution, to renew the Directors' existing general power to allot securities but will also, provide a further authority (subject to certain limits), to allot shares under a fully pre-emptive rights issue. The effect of Resolution 10 is to authorise the Directors to allot up to a maximum of 104,635,754 shares in total (representing approximately 2/3 of the existing issued capital of the Company), of which a maximum of 52,317,877 shares (approximately 1/3 of the existing issued share capital) may only be applied to fully pre-emptive rights issues. This authority is renewable annually and will expire at the conclusion of the next Annual General Meeting. The Board has no present intention to utilise this authority.

Disapplication of Pre-emption Rights

Resolution 11 is a special resolution that seeks to renew the Directors' existing authority until the conclusion of the next Annual General Meeting to make limited allotments of shares for cash of up to 10% of the issued share capital other than according to the statutory pre-emption rights which require all shares issued for cash to be offered first to all existing shareholders. This authority includes the ability to sell shares that have been held in treasury (if any), having previously been bought back by the Company. The Board has established guidelines for treasury shares and will only consider buying in shares for treasury at a discount to their prevailing NAV and selling them from treasury at or above the then prevailing NAV.

New shares issued in accordance with Resolution 11 and subject to the authority to be conferred by Resolution 10 will always be issued at a premium to the NAV per Ordinary share at the time of issue. The Board will issue new Ordinary shares or sell Ordinary shares from treasury for cash when it is appropriate to do so, in accordance with its current policy. It is therefore possible that the issued share capital of the Company may change between the date of this document and the Annual General Meeting and therefore the authority sought will be in respect of 10% of the issued share capital as at the date of the Annual General Meeting rather than the date of this document.

Purchase of the Company's Shares

Resolution 12 is a special resolution proposing to renew the Directors' authority to make market purchases of the Company's shares in accordance with the provisions contained in the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority. The minimum price to be paid per Ordinary share by the Company will not be less than 5p per share (being the nominal value) and the maximum price should not be more than the higher of (i) 5% above the average of the middle market quotations for the shares for the preceding five business days; and (ii) the higher of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out.

The Directors do not intend to use this authority to purchase the Company's Ordinary shares unless to do so would result in an increase in NAV per share and would be in the interests of shareholders generally. The authority sought will be in respect of 14.99% of the issued share capital as at the date of the Annual General Meeting rather than the date of this document.

The authority being sought in Resolution 12 will expire at the conclusion of the next Annual General Meeting unless it is renewed before that date. Any Ordinary shares purchased in this way will either be cancelled and the number of Ordinary shares will be reduced accordingly or under the authority granted in Resolution 11 above, may be held in treasury. During the year the Company has not bought back any Ordinary shares for Treasury.

If Resolutions 10 to 12 are passed then an announcement will be made on the date of the Annual General Meeting which will detail the exact number of Ordinary shares to which each of these authorities relate.

These powers will give the Directors additional flexibility going forward and the Board considers that it will be in the interests of the Company that such powers be available. Such powers will only be implemented when, in the view of the Directors, to do so will be to the benefit of shareholders as a whole.

Notice of Meetings

Resolution 13 is a special resolution seeking to authorise the Directors to call general meetings of the Company (other than Annual General Meetings) on 14 days' notice. This approval will be effective until the Company's next Annual General Meeting in 2023. In order to utilise this shorter notice period, the Company is required to ensure that shareholders are able to vote electronically at the general meeting called on such short notice. The Directors confirm that, in the event that a general meeting is called, they will give as much notice as practicable and will only utilise the authority granted by Resolution 13 in limited and time sensitive circumstances.

Dividend Policy

As a result of the timing of the payment of the Company's quarterly dividends, the Company's Shareholders are unable to approve a final dividend each year. In line with good corporate governance, the Board therefore proposes to put the Company's dividend policy to Shareholders for approval at the Annual General Meeting and on an annual basis thereafter.

The Company's dividend policy shall be that dividends on the Ordinary Shares are payable quarterly in relation to periods ending October, January, April and July. It is intended that the Company will pay quarterly dividends consistent with the expected annual underlying portfolio yield. The Company has the flexibility in accordance with its Articles to make distributions from capital. Resolution 3, an ordinary resolution, will seek shareholder approval for the dividend policy.

Recommendation

Your Board considers Resolutions 10 to 13 to be in the best interests of the Company and its members as a whole and most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, your Board unanimously recommends that shareholders should vote in favour of Resolutions 10 to 13 to be proposed at the AGM, as they intend to do in respect of their own beneficial shareholdings amounting to 14,060 Ordinary shares.

By order of the Board
Aberdeen Asset Management PLC -Secretaries
Bow Bells House, 1 Bread Street
London EC4M 9HH
14 October 2022

Directors' Remuneration Report

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

1. Remuneration Policy which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – most recently voted on at the AGM on 1 December 2020;
2. Implementation Report which provides information on how the Remuneration Policy has been applied during the year and which is subject to an advisory vote on the level of remuneration paid during the year; and
3. Annual Statement.

The law requires the Company's auditors to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditors' opinion is included in the report on page 70.

Remuneration Policy

The Directors' Remuneration Policy takes into consideration the principles of UK Corporate Governance and there have been no changes to the policy during the period of this Report nor are there any proposals for the foreseeable future.

As the Company has no employees and the Board is comprised wholly of non-executive Directors and, given the size and nature of the Company, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Board as a whole.

The Directors are non-executive and the Company's Articles of Association limit the annual aggregate fees payable to the Board of Directors to £275,000 per annum. This cap may be increased by shareholder resolution from time to time and was last increased at the General Meeting held in January 2022.

	31 July 2022 £	31 July 2021 £
Chairman	**35,500**	35,500
Chairman of Audit Committee	**30,500**	30,500
Director	**27,500**	27,500

Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective.

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at the first AGM after their appointment, and at least every three years thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £27,500 per annum).
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance-related fee.
- No Director has a service contract.
- No Director has an interest in any contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed upon three months' notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or to any assets of the Company.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors. Under the Articles, the Company indemnifies each of the Directors out of the assets of the Company against any liability incurred by them as a Director in defending proceedings or in connection with any application

to the Court in which relief is granted and separate deeds of indemnity exist in this regard between the Company and each Director.

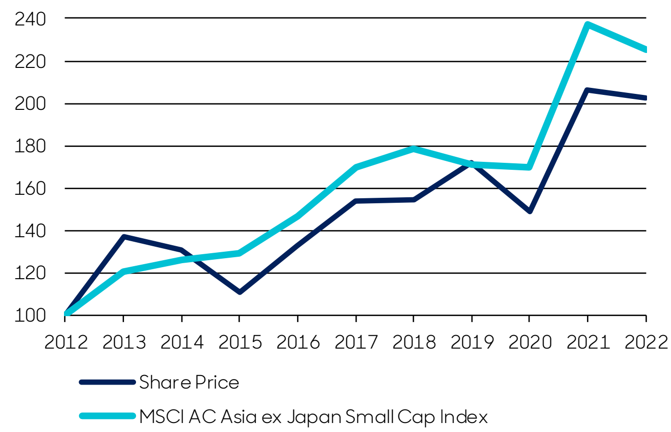
Implementation Report

Directors' Fees

During the year the Board carried out its annual review of the level of fees payable to Directors including a review of comparable peer group directors' fees. Following the review it was concluded that the fees should be maintained at the current levels. The Directors' fees were previously last increased in January 2021. There are no further fees to disclose as the Company has no employees, chief executive or executive directors.

Company Performance

The following chart illustrates the total shareholder return (including reinvested dividends) for a holding in the Company's shares as compared to the MSCI AC Asia ex Japan Small Cap Index (in Sterling terms) for the ten year period to 31 July 2022 (rebased to 100 at 31 July 2012). Given the absence of any meaningful index with which to compare performance, this index is deemed to be the most appropriate one against which to measure the Company's performance.



Statement of Voting at General Meeting

At the Company's last Annual General Meeting, held on 27 January 2022, shareholders approved the Directors' Remuneration Report in respect of the year ended 31 July 2021 and the following proxy votes were received on the resolutions:

Resolution	For [A]	Against	Withheld
(2) Receive and Adopt Directors' Remuneration Report	34.4m (99.8%)	36,056 (0.2%)	34,647
(3) To approve the Directors' Remuneration Policy [B]	17.4m (99.8%)	37,646 (0.2%)	44,790

[A] Including discretionary votes
[B] Approved at the AGM held on 1 December 2020

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to Directors with distributions to shareholders. However, for ease of reference, the total fees paid to Directors is shown in the table on page 56 while dividends paid to shareholders are set out in note 8.

The total fees paid to Directors are shown overleaf.

Directors' Remuneration Report

Continued

Audited Information

Fees Payable

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

Director	2022 £	2021 £
N K Cayzer (Chairman and highest paid Director)	**35,500**	35,292
The Earl of Antrim	**27,500**	27,292
K Shanmuganathan	**27,500**	27,292
C Black	**27,500**	27,292
L Cooper [A]	**3,474**	-
A Finn [B]	**1,558**	-
D Guthrie [C]	**21,435**	29,292
P Yea [D]	**-**	10,081
Total	**144,467**	156,541

[A] Mr Cooper was appointed to the Board on 15 June 2022
[B] Mr Finn was appointed to the Board on 13 July 2022
[C] Ms Guthrie resigned from the Board on 13 April 2022
[D] Mr Yea retired from the Board on 1 December 2020

No taxable benefits were paid to Directors during the year (2021: nil).

Annual Percentage Change in Directors' Remuneration

The table below sets out the annual percentage change in Directors' fees for the past three years.

Director	2022 %	2021 %	2020 %
N K Cayzer (Chairman and highest paid Director)	**0.6**	0.8	0
The Earl of Antrim	**0.8**	1.1	0
K Shanmuganathan [A]	**0.8**	84.1	n/a
C Black [B]	**0.8**	1.1	45.7
L. Cooper [C]	**n/a**	n/a	n/a
A Finn [D]	**n/a**	n/a	n/a
D Guthrie [E]	**n/a**	1.1	45.7

[A] Mr Shanmuganathan was appointed to the Board on 3 June 2020
[B] Ms Black was appointed to the Board in January 2019
[C] Mr Cooper was appointed to the Board on 15 June 2022
[D] Mr Finn was appointed to the Board on 13 July 2022
[E] Ms Guthrie resigned from the Board on 13 April 2022

Sums Paid to Third Parties

None of the fees disclosed above were payable to third parties in respect of making available the services of Directors. The amounts paid by the Company to the Directors were for services as non-executive Directors.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors' interests in contractual arrangements with the Company are as shown in note 18 to the financial statements. The Directors (including connected persons) at 31 July 2022 and 31 July 2021, had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the following table.

	31 July 2022 [A] Ordinary shares	31 July 2021 [B] Ordinary shares
N K Cayzer	**-**	-
Earl of Antrim	**4,000**	800
K Shanmuganathan	**5,270**	1,054
C Black	**4,790**	958
D Guthrie	**23,450**	4,690
L Cooper	**-**	n/a
A Finn	**-**	n/a

[A] or date of resignation, if earlier
[B] the shareholdings for 2021 have not been restated following the five for one share split effective in February 2022

The above interests are unchanged at 14 October 2022, being the nearest practicable date prior to the signing of this Report.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year ended 31 July 2022:

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

Nigel Cayzer,
Chairman
14 October 2022

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements, in accordance with applicable law and regulations.

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

Under Company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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

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

The financial statements are published on asia-focus.co.uk which is a website maintained by the Company's Manager. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors listed on pages 44 to 46, being the persons responsible, hereby confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- that in the opinion of the Directors, the Annual Report and financial statements taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy. In reaching this conclusion the Board has assumed that the reader of the Annual Report and financial statements would have a reasonable level of general investment knowledge, and in particular, of investment trusts; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

For abrdn Asia Focus plc
Nigel Cayzer,
Chairman
14 October 2022

Report of the Audit Committee

I am pleased to present my first report of the Audit Committee for the year ended 31 July 2022 which has been prepared in compliance with applicable legislation.

Committee Composition

The Audit Committee comprises four independent Directors at the year end; the Earl of Antrim, Charlotte Black, Krishna Shanmuganathan, Lindsay Cooper and myself (Alex Finn), as Chairman. I was appointed to the Board on 13 July 2022 and became Audit Committee Chairman from that date and, on behalf of my fellow Directors, I would like to thank my predecessor, Debby Guthrie for excellent stewardship of the Audit Committee. The Directors have satisfied themselves that at least one of the Committee's members has recent and relevant financial experience and I confirm that the Audit Committee as a whole has competence relevant to the investment trust sector.

The Audit Committee continues to believe that the Company does not require an internal audit function of its own as it delegates its day to day operations to third parties from whom it receives internal controls reports.

Functions of the Committee

The principal function of the Committee is to assist the Board in relation to the reporting of financial information, the review of financial controls and the management of risk. The Committee has defined terms of reference which are reviewed and re-assessed for their adequacy on an annual basis. Copies of the terms of reference are published on the Company's website.

The Committee's main audit review functions are listed below:

- to review and monitor the internal control systems and risk management systems (including those relating to non-financial risks) on which the Company is reliant;
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the half-yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, interim reports, announcements and related formal statements;
- to review the content of the Annual Report and Financial Statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- to meet with the auditors to review their proposed audit programme of work and the findings of the auditors. The Committee shall also use this as an opportunity to assess the effectiveness of the audit process;
- to review a statement from the Manager detailing the arrangements in place within the Manager whereby the Manager's staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters ("whistleblowing");
- to make recommendations in relation to the appointment of the auditors and to approve the remuneration and terms of engagement of the auditors;
- to monitor and review annually the auditors' independence, objectivity, effectiveness, resources and qualification; and
- to investigate, when an auditor resigns, the reasons giving rise to such resignation and consider whether any action is required.

Activities During the Year

The Audit Committee met twice during the year when it considered the Annual Report and the Half Yearly Report in detail. Representatives of the abrdn internal audit, risk and compliance departments reported to the Committee at these meetings on matters such as internal control systems, risk and the conduct of the business in the context of its regulatory environment.

The Committee also considered the implications for the Company as a result of the Covid-19 pandemic, including the resilience of the reporting and control systems in place for both the Manager and other service providers.

Review of Internal Control Systems and Risk

The Committee considers the internal control systems and a matrix of risks at each of its meetings. There is more detail on the process of these reviews in the Strategic Report.

Report of the Audit Committee

Continued

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 31 July 2022, the Audit Committee considered the following significant issues, including, in particular, those communicated by the auditors as key areas of audit emphasis during their planning and reporting of the year end audit.

Valuation and Existence of Investments

How the issue was addressed - The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 2(b) to the financial statements on page 77. All investments are considered liquid and quoted in active markets and have been categorised as Level 1 within the FRS 102 fair value hierarchy and can be verified against daily market prices. The portfolio holdings and their pricing are reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are prepared each month and circulated to the Board. The portfolio is also reviewed annually by the auditors and all prices are checked to independent sources by the auditors. The Company used the services of an independent Depositary (BNP Paribas Trust Corporation UK Limited) during the year under review to hold the assets of the Company. The investment portfolio is reconciled regularly by the Manager to the depositary/custodian records and further corroboration is received from the audit which includes independent confirmation of the existence of all investments at the year end.

Recognition of Investment Income

How the issue was addressed – The recognition of investment income is undertaken in accordance with accounting policy note 2(d) to the financial statements on page 78. Special dividends are allocated to the capital or revenue accounts according to the nature of the payment and the intention of the underlying company. The Directors review monthly revenue forecasts and dividend comparisons and the Manager provides monthly internal control reports to the Board.

Correct Calculation of Management Fees

How the issue was addressed - The management fees are calculated by the Manager and reviewed periodically by the Board.

Review of Financial Statements

The Committee is responsible for the preparation of the Company's Annual Report. The process is extensive, requiring input from a number of different third party service providers. The Committee reports to the Board on whether, taken as a whole, the Annual Report and financial statements are fair, balanced and understandable. In so doing, the Committee has considered the following matters:

- the existence of a comprehensive control framework surrounding the production of the Annual Report and financial statements which includes a number of different checking processes;
- the existence of extensive levels of reviews as part of the production process involving the depositary, the Manager, the Company Secretary and the auditors taken together as well as the Committee's own expertise;
- the controls in place within the various third party service providers to ensure the completeness and accuracy of the financial records and the security of the Company's assets; and
- the externally audited internal control reports of the Manager, Depositary and related service providers.

The Committee has reviewed the Annual Report and the work undertaken by the third party service providers and is satisfied that, taken as a whole, the Annual Report and financial statements is fair balanced and understandable. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report would have a reasonable level of knowledge of the investment trust industry in general and of investment trusts in particular. The Committee has reported its findings to the Board which in turn has made its own statement in this regard in the Directors' Responsibility Statement on page 60.

Provision of Non-Audit Services

The Committee has put in place a policy on the supply of non-audit services provided by the auditor. Such services are considered on a case-by-case basis and may only be provided if the service is at a reasonable and competitive cost and does not constitute a conflict of interest or potential conflict of interest or prevent the auditor from remaining objective and independent. All non-audit services require the pre-approval of the Committee. No non-audit fees were paid to the auditor during the Year (2021 - nil). The Committee confirms that it has complied with Part 5.1 of the Competitions and Market Authority's Order 2014.

Review of Auditors

The Audit Committee has reviewed the effectiveness of the auditors including:

- Independence: the auditors discuss with the Audit Committee, at least annually, the steps taken to ensure their independence and objectivity and make the Committee aware of any potential issues, explaining all relevant safeguards;
- Quality of audit work in terms of: (i) the ability to work in a collegiate manner with the Board and Manager, addressing queries and issues in a timely manner – 2022 represents the second year for PwC and the Audit Committee is confident that identified queries and issues have been satisfactorily and promptly resolved; (ii) its communications/ presentation of outputs – the Audit Committee is satisfied that the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible; and (iii) the working relationship with management – the Audit Committee is satisfied that the auditors have already developed a very constructive working relationship with the Manager; and,
- Quality of people and service including continuity and succession plans: the Audit Committee is satisfied that the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment trust sector and retention on rotation of the partner.

In 2020 the Audit Committee undertook a tender for the Company's external audit services and PricewaterhouseCoopers LLP ("PwC") were chosen as the Company's independent auditors, with the appointment having been approved by shareholders at the AGM held on 1 December 2020.

In accordance with present professional guidelines the Senior Statutory Auditor is rotated after no more than five years and the year ended 31 July 2022 will be the second year for which the present Senior Statutory Auditor, Ms Gillian Alexander, has served. The Committee considers PwC, the Company's auditors, to be independent of the Company.

Alex Finn,
Audit Committee Chairman
14 October 2022

Financial Statements

"Asian equities fared well during the first half of the period as vaccine programmes led to an easing of lockdown restrictions and an economic recovery. However, there has been a pronounced risk-off trade in place since the turn of the year, with investors rattled by disruption to global supply chains, soaring inflation, rising interest rates and Russia's invasion of Ukraine. This has manifested itself in investors rotating away from more expensive areas of the market - such as high-growth companies - towards value."

Independent auditors' report to the members of abrdn Asia Focus plc (formerly Aberdeen Standard Asia Focus PLC)

Report on the audit of the financial statements

Opinion

In our opinion, abrdn Asia Focus PLC (formerly Aberdeen Standard Asia Focus PLC)'s financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2022 and of its net return and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: the Statement of Financial Position as at 31 July 2022; the Statement of Comprehensive Income, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Our opinion is consistent with our reporting to the Audit Committee.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, as applicable to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

To the best of our knowledge and belief, we declare that non-audit services prohibited by the FRC's Ethical Standard were not provided.

We have provided no non-audit services to the Company in the period under audit.

Our audit approach

Overview

Audit scope

- The Company is a standalone Investment Trust Company and engages abrdn Standard Fund Managers Limited (the "AIFM") to manage its assets.
- We conducted our audit of the financial statements using information from the AIFM and BNP Paribas Trust Corporation UK to whom the AIFM have delegated the provision of all administrative functions.
- We tailored the scope of our audit taking into account the types of investments within the Company, the involvement of the AIFM referred to above, and the industry in which the Company operates.
- We obtained an understanding of the accounting processes and control environment in place at the AIFM and adopted a fully substantive testing approach using reports obtained from the AIFM.

Key audit matters

- Income from investments.
- Valuation and existence of listed investments.

Materiality

- Overall materiality: £4,643,000 (2021: £4,879,000) based on 1% of Net Assets.
- Performance materiality: £3,482,000 (2021: £3,659,000).

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters, and any comments we make on the results of our procedures thereon, were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

This is not a complete list of all risks identified by our audit.

The key audit matters below are consistent with last year.

Key audit matter	How our audit addressed the key audit matter
Income from investments Refer to page 62 (Report of the Audit Committee), page 78 (Accounting Policies) and page 80 (Notes to the Financial Statements).	We assessed the accounting policy for income recognition for compliance with accounting standards and the AIC SORP and performed testing to confirm that income had been accounted for in accordance with this stated accounting policy. We found that the accounting policies implemented were in accordance with accounting standards and the AIC SORP, and that income has been accounted for in accordance with the stated accounting policy.
ISAs (UK) presume there is a risk of fraud in income recognition because of the pressure management may feel to achieve a certain objective. In this instance, we consider that 'income' refers to all the Company's income streams, both revenue and capital (including gains and losses on investments).	We understood and assessed the design and implementation of key controls surrounding income recognition.
As the Company has an Income objective, there may be an incentive to overstate income. As such, we focussed this risk on the occurrence of revenue from investments, and its presentation in the Income Statement as set out in the requirements of The Association of Investment Companies' Statement of Recommended Practice (the "AIC SORP").	The gains and losses on investments held at fair value comprise realised and unrealised gains and losses. For unrealised gains and losses, we tested the valuation of the portfolio at the year-end (see Valuation and existence of listed investments Key Audit Matter), together with testing of the reconciliation of opening and closing investments and agreeing the year end holdings to independent confirmation. For realised gains and losses, we tested a sample of disposal proceeds by agreeing the proceeds to bank statements.

Independent auditors' report to the members of abrdn Asia Focus plc (formerly Aberdeen Standard Asia Focus PLC)

Continued

Key audit matter	How our audit addressed the key audit matter
	We tested the accuracy of dividend receipts by agreeing the dividend rates from investments to independent market data. We tested occurrence by testing that all dividends recorded in the year had been declared in the market by investment holdings, and we traced a sample of dividends received to bank statements. We tested the allocation and presentation of dividend income between the revenue and capital return columns of the Income Statement in line with the requirements set out in the AIC SORP by determining the reasons behind dividend distributions. Based on the audit procedures performed and evidence obtained, we concluded that income from investments was not materially misstated.
Valuation and existence of listed investments Refer to page 62 (Report of the Audit Committee), page 77 (Accounting Policies) and page 85 (Notes to the Financial Statements). The investment portfolio at 31 July 2022 comprised listed equity investments of £525 million. We focused on the valuation and existence of investments because investments represent the principal element of the net asset value as disclosed in the Statement of Financial Position in the financial statements.	We tested the valuation of all listed investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of all listed investments by agreeing the holdings to an independent confirmation from the Depository, BNP Paribas Trust Corporation UK as at 31 July 2022. No material misstatements were identified from this testing.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Company, the accounting processes and controls, and the industry in which it operates.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where subjective judgements are made, for example in respect of classification of special dividends as revenue or capital.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall Company materiality	£4,643,000 (2021: £4,879,000).
How we determined it	Approximately 1% of Net Assets.
Rationale for benchmark applied	We believe that net assets is the primary measure used by the shareholders in assessing the performance of the entity, and is a generally accepted auditing benchmark. This benchmark provides an appropriate and consistent year on year basis.

We use performance materiality to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds overall materiality. Specifically, we use performance materiality in determining the scope of our audit and the nature and extent of our testing of account balances, classes of transactions and disclosures, for example in determining sample sizes. Our performance materiality was 75% (2021: 75%) of overall materiality, amounting to £3,482,000 (2021: £3,659,000) for the Company financial statements.

In determining the performance materiality, we considered a number of factors - the history of misstatements, risk assessment and aggregation risk and the effectiveness of controls - and concluded that an amount at the upper end of our normal range was appropriate.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £232,000 (2021: £243,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

Our evaluation of the Directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included:

- evaluating the Directors' updated risk assessment and considering whether it addressed relevant threats, including those presented by COVID-19, rising inflation, Russia's Invasion of Ukraine, and the subsequent economic uncertainty;
- evaluating the Directors' assessment of potential operational impacts, considering their consistency with other available information and our understanding of the business and assessed the potential impact on the financial statements;
- reviewing the Directors' assessment of the Company's financial position in the context of its ability to meet future expected operating expenses and debt repayments, their assessment of liquidity as well as their review of the operational resilience of the Company and oversight of key third-party service providers; and
- assessing the implication of significant reductions in NAV as a result of market performance on the ongoing ability of the Company to operate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

In relation to the Directors' reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the Directors' statement in the financial statements about whether the Directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 July 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

Directors' Remuneration

In our opinion, the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Corporate governance statement

The Listing Rules require us to review the Directors' statements in relation to going concern, longer-term viability and that part of the corporate governance statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified for our review. Our additional responsibilities with respect to the corporate governance statement as other information are described in the Reporting on other information section of this report.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit, and we have nothing material to add or draw attention to in relation to:

- The Directors' confirmation that they have carried out a robust assessment of the emerging and principal risks;
- The disclosures in the Annual Report that describe those principal risks, what procedures are in place to identify emerging risks and an explanation of how these are being managed or mitigated;
- The Directors' statement in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the Company's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
- The Directors' explanation as to their assessment of the Company's prospects, the period this assessment covers and why the period is appropriate; and
- The Directors' statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of its assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Our review of the Directors' statement regarding the longer-term viability of the Company was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statement; checking that the statement is in alignment with the relevant provisions of the UK Corporate Governance Code; and considering whether the statement is consistent with the financial statements and our knowledge and understanding of the Company and its environment obtained in the course of the audit.

In addition, based on the work undertaken as part of our audit, we have concluded that each of the following elements of the corporate governance statement is materially consistent with the financial statements and our knowledge obtained during the audit:

- The Directors' statement that they consider the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for the members to assess the Company's position, performance, business model and strategy;
- The section of the Annual Report that describes the review of effectiveness of risk management and internal control systems; and
- The section of the Annual Report describing the work of the Audit Committee.

We have nothing to report in respect of our responsibility to report when the Directors' statement relating to the Company's compliance with the Code does not properly disclose a departure from a relevant provision of the Code specified under the Listing Rules for review by the auditors.

Responsibilities for the financial statements and the audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of section 1158 of the Corporation Tax Act 2010, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase capital gains or to increase net asset value. Audit procedures performed by the engagement team included:

- discussions with the AIFM and the Audit Committee, including specific enquiry of known or suspected instances of non-compliance with laws and regulation and fraud where applicable;
- reviewing relevant meeting minutes, including those of the Audit Committee;
- assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010;
- identified and tested journal entries, in particular year end journal entries posted during the preparation of the annual report; and
- designed audit procedures to incorporate unpredictability around the nature, timing or extent of our testing for example, targeting transactions that otherwise would be immaterial.

Independent auditors' report to the members of abrdn Asia Focus plc (formerly Aberdeen Standard Asia Focus PLC)

Continued

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Our audit testing might include testing complete populations of certain transactions and balances, possibly using data auditing techniques. However, it typically involves selecting a limited number of items for testing, rather than testing complete populations. We will often seek to target particular items for testing based on their size or risk characteristics. In other cases, we will use audit sampling to enable us to draw a conclusion about the population from which the sample is selected.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: **www.frc.org.uk/auditorsresponsibilities**. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Appointment

Following the recommendation of the Audit Committee, we were appointed by the members on 1 December 2020 to audit the financial statements for the year ended 31 July 2021 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the years ended 31 July 2021 to 31 July 2022.

Gillian Alexander (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

14 October 2022

Statement of Comprehensive Income

		Year ended 31 July 2022			Year ended 31 July 2021		
	Notes	Revenue £'000	Capital £'000	Total £'000	(*Restated) Revenue £'000	(*Restated) Capital £'000	Total £'000
(Losses)/gains on investments	10	-	(22,324)	(22,324)	–	148,078	148,078
Income	3	18,071	-	18,071	9,624	–	9,624
Exchange gains/(losses)		-	72	72	–	(425)	(425)
Investment management fees	4	(801)	(2,403)	(3,204)	(3,570)	–	(3,570)
Administrative expenses[A]	5,22	(1,163)	(398)	(1,561)	(1,136)	(250)	(1,386)
Net return before finance costs and taxation		16,107	(25,053)	(8,946)	4,918	147,403	152,321
Finance costs	6	(499)	(1,497)	(1,996)	(1,732)	–	(1,732)
Net return before taxation		15,608	(26,550)	(10,942)	3,186	147,403	150,589
Taxation	7	(956)	876	(80)	(550)	(3,556)	(4,106)
Net return after taxation		14,652	(25,674)	(11,022)	2,636	143,847	146,483
Return per share (pence)[B]:	9						
Basic		9.34	(16.36)	(7.02)	1.66	90.68	92.34
Diluted		8.75	n/a	n/a	n/a	84.04	85.95

[A] Further details of the restatement can be found in note 22 on page 100.
[B] Figures for 2021 have been restated to reflect the 5:1 sub-division as disclosed in note 14 on page 88.

For the year ended 31 July 2022 the conversion option for potential Ordinary shares within the Convertible Unsecured Loan Stock was dilutive to the revenue return per Ordinary share but non-dilutive to the capital return per Ordinary share (2021 - non-dilutive to revenue but dilutive to capital).

The total column of this statement represents the profit and loss account of the Company. There is no other comprehensive income and therefore the net return after taxation is also the total comprehensive income for the year.

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

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

Statement of Financial Position

	Notes	As at 31 July 2022 £'000	As at 31 July 2021 (*Restated) £'000
Fixed assets			
Investments at fair value through profit or loss	10	**524,841**	540,921
Current assets			
Debtors and prepayments	11	**1,464**	5,107
Cash and short term deposits		**9,471**	14,577
		10,935	19,684
Creditors: amounts falling due within one year			
Other creditors	12	**(2,864)**	(3,422)
Net current assets		**8,071**	16,262
Total assets less current liabilities		**532,912**	557,183
Non-current liabilities			
2.25% Convertible Unsecured Loan Stock 2025	13	**(35,940)**	(35,708)
3.05% Senior Unsecured Loan Note 2035	13	**(29,892)**	(29,886)
Deferred tax liability on Indian capital gains	13	**(2,684)**	(3,631)
		(68,516)	(69,225)
Net assets		**464,396**	487,958
Capital and reserves			
Called up share capital	14	**10,435**	10,435
Capital redemption reserve		**2,062**	2,062
Share premium account		**60,428**	60,412
Equity component of 2.25% Convertible Unsecured Loan Stock 2025	13	**1,057**	1,057
Capital reserve (*restated)[A]	15,22	**375,450**	401,124
Revenue reserve (*restated)[A]	22	**14,964**	12,868
Total shareholders' funds		**464,396**	487,958
Net asset value per share (pence)[B]:			
Basic	16	**295.88**	310.90
Diluted	16	**295.25**	309.02

[A] Further details of the restatement can be found in note 22 on page 100.

[B] Figures for 2021 have been restated to reflect the 5:1 sub-division as disclosed in note 14 on page 88.

The financial statements were approved by the Board of Directors and authorised for issue on 14 October 2022 and were signed on behalf of the Board by:

Nigel Cayzer
Chairman

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

Statement of Changes in Equity

For the year ended 31 July 2022

	Note	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Equity Component CULS 2025 £'000	Capital reserve (*Restated) £'000	Revenue reserve (*Restated) £'000	Total £'000
Balance at 1 August 2021 (*restated)	22	10,435	2,062	60,412	1,057	401,124	12,868	487,958
Conversion of 2.25% CULS 2025	13	-	-	16	-	-	-	16
Return after taxation		-	-	-	-	(25,674)	14,652	(11,022)
Dividends paid	8	-	-	-	-	-	(12,556)	(12,556)
Balance at 31 July 2022		10,435	2,062	60,428	1,057	375,450	14,964	464,396

For the year ended 31 July 2021

	Note	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Equity Component CULS 2025 £'000	Capital reserve (*Restated) £'000	Revenue reserve (*Restated) £'000	Total £'000
Balance at 1 August 2020		10,434	2,062	60,377	1,057	268,750	16,276	358,956
Conversion of 2.25% CULS 2025	13	1	-	35	-	-	-	36
Purchase of own shares to treasury	14	-	-	-	-	(11,473)	-	(11,473)
Return after taxation (*restated)[A]	22	-	-	-	-	143,847	2,636	146,483
Dividends paid	8	-	-	-	-	-	(6,044)	(6,044)
Balance at 31 July 2021		10,435	2,062	60,412	1,057	401,124	12,868	487,958

[A] Further details of the restatement can be found in note 22 on page 100.

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

Statement of Cash Flows

	Notes	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Cash flows from operating activities			
Return before finance costs and tax		**(8,946)**	152,321
Adjustments for:			
Dividend income	3	**(18,057)**	(9,620)
Interest income	3	**(14)**	–
Dividends received		**18,307**	9,880
Interest received		**10**	–
Interest paid		**(1,742)**	(1,346)
Losses/(gains) on investments	10	**22,324**	(148,078)
Foreign exchange movements		**(72)**	425
Decrease/(increase) in prepayments		**18**	(20)
Decrease in other debtors		**11**	5
Increase in other creditors		**1,439**	113
Stock dividends included in investment income		**(174)**	(233)
Overseas withholding tax suffered	7	**(1,439)**	(690)
Net cash inflow from operating activities		**11,665**	2,757
Cash flows from investing activities			
Purchase of investments		**(81,319)**	(81,406)
Sales of investments		**77,032**	81,562
Indian capital gains tax rebate on sales		**–**	101
Net cash (outflow)/inflow from investing activities		**(4,287)**	257
Cash flows from financing activities			
Purchase of own shares for treasury		**–**	(11,570)
Repayment of loan		**–**	(11,200)
Drawdown of 3.05% Senior Unsecured Loan Note 2035	13	**–**	29,882
Equity dividends paid	8	**(12,556)**	(6,043)
Net cash (outflow)/inflow from financing activities		**(12,556)**	1,069
(Decrease)/increase in cash and cash equivalents		**(5,178)**	4,083
Analysis of changes in cash and short term deposits			
Opening balance		**14,577**	10,919
(Decrease)/increase in cash and short term deposits		**(5,178)**	4,083
Foreign exchange movements		**72**	(425)
Closing balance		**9,471**	14,577

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

Notes to the Financial Statements

For the year ended 31 July 2022

1. Principal activity

The Company is a closed-end investment company, registered in England & Wales No 03106339, with its Ordinary shares being listed on the London Stock Exchange.

2. Accounting policies

(a) **Basis of preparation and going concern**. The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Companies Act 2006 and the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in April 2021. The financial statements are prepared in Sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted by HMRC.

In accordance with the Financial Reporting Council's guidance the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist of equity shares in companies listed on recognised stock exchanges and are considered by the Board to be realisable within a relatively short timescale under normal market conditions. The Board has set overall limits for borrowing and reviews regularly the Company's level of gearing, cash flow projections and compliance with banking covenants. The Board has also reviewed stress testing and liquidity analysis covering the impact of significant historical market events such as the 1997 Asian Crisis and 2008 Global Financial Crisis on the liquidity of the portfolio to ensure that even in significant negative markets the Company would still be able to raise sufficient capital to repay its liabilities.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report on pages 16 to 18 and they believe that the Company has adequate financial resources to continue its operational existence for a period of not less than 12 months from the date of approval of this Annual Report. They have arrived at this conclusion having confirmed that the Company's diversified portfolio of realisable securities is sufficiently liquid and could be used to meet short-term funding requirements were they to arise, including in current market conditions caused by the Covid-19 pandemic and the conflict in Ukraine. The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Significant accounting judgements, estimates and assumptions. The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. Special dividends are assessed and credited to capital or revenue according to their circumstances and are considered to require significant judgement. The Directors do not consider there to be any significant estimates within the financial statements.

(b) **Valuation of investments**. The Company has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and investments have been designated upon initial recognition at fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured at fair value. Subsequent to initial recognition, investments are measured at fair value. For listed investments, this is deemed to be bid market prices. Gains and losses arising from changes in fair value and disposals are included as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

(c) **Borrowings**. Bank loans are initially recognised at cost, being the fair value of the consideration received, net of any issue expenses. Subsequently, they are measured at amortised cost using the effective interest method. Finance charges are accounted for on an accruals basis using the effective interest rate method. With effect from 1 August 2021, the Company charges 25% of finance charges to revenue and 75% to capital (previously 100% to revenue).

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

(e) **Expenses**. Expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except as follows:

- expenses directly relating to the acquisition or disposal of an investment, which are charged to the capital column of the Statement of Comprehensive Income and are separately identified and disclosed in note 10; and

– with effect from 1 August 2021, the Company charges 25% of investment management fees and finance costs to the revenue column and 75% to the capital column of the Statement of Comprehensive Income, in accordance with the Board's expected long term return in the form of revenue and capital gains respectively from the investment portfolio of the Company. Previously the allocation was 100% to revenue.

(f) **Taxation**. The tax expense represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year, based on the marginal basis.

(g) **Foreign currency**. Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Statement of Financial Position date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on dividends receivable are recognised in the Statement of Comprehensive Income and are reflected in the revenue reserve. Gains and losses on the realisation of investments in foreign currencies and unrealised gains and losses on investments in foreign currencies are recognised in the Statement of Comprehensive Income and are then transferred to the capital reserve.

(h) **Convertible Unsecured Loan Stock**. Convertible Unsecured Loan Stock ("CULS") issued by the Company is regarded as a compound instrument, comprising of a liability component and an equity component. At the date of issue, the fair value of the liability component of the 2.25% CULS 2025 was estimated by assuming that an equivalent non-convertible obligation of the Company would have an effective interest rate of 3.063%. The fair value of the equity component, representing the option to convert liability into equity, is derived from the difference between the issue proceeds of the CULS and the fair value assigned to the liability. The liability component is subsequently measured at amortised cost using the effective interest rate and the equity component remains unchanged.

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

(i) **Cash and cash equivalents**. Cash comprises cash in hand and short term deposits. Cash equivalents includes bank overdrafts repayable on demand and short term, highly liquid investments, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

(j) **Nature and purpose of reserves**

Capital redemption reserve. The capital redemption reserve arose when Ordinary shares were redeemed and cancelled, at which point an amount equal to the par value of the Ordinary share capital was transferred from the share capital account to the capital redemption reserve. This is not a distributable reserve.

Share premium account. The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 5p (2021 - 25p). This is not a distributable reserve.

Capital reserve. This reserve reflects any gains or losses on investments realised in the period along with any movement in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences arising on monetary assets and liabilities except for dividend income receivable. Share buybacks to be held in treasury, which is considered to be a distribution to shareholders, is also deducted from this reserve. The realised gains part of this reserve is also distributable for the purpose of funding dividends.

Revenue reserve. This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve is distributable by way of dividend. The amount of the revenue reserve as at 31 July 2022 may not be available at the time of any future distribution due to movements between 31 July 2022 and the date of distribution.

(k) Treasury shares. When the Company purchases the Company's equity share capital as treasury shares, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. When these shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from the capital reserve.

(l) Dividends payable. Final dividends are recognised in the financial statements in the period in which Shareholders approve them.

(m) Segmental reporting. The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided however an analysis of the geographic exposure of the Company's investments is provided on page 36.

Notes to the Financial Statements

Continued

3. Income

	2022 £'000	2021 £'000
Income from investments		
Overseas dividends	**17,292**	9,015
UK dividend income	**591**	372
Stock dividends	**174**	233
	18,057	9,620
Other income		
Deposit interest	**14**	–
Other income	**–**	4
	14	4
Total income	**18,071**	9,624

4. Investment management fees

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	**801**	**2,403**	**3,204**	3,570	–	3,570

The Company has an agreement with abrdn Fund Managers Limited ("aFML") for the provision of management services, under which investment management services have been delegated to abrdn Asia Limited ("abrdn Asia").

With effect from 1 August 2021, the management fee has been payable monthly in arrears, on a tiered basis, exclusive of VAT where applicable, based on market capitalisation at an annual rate of 0.85% for the first £250 million, 0.6% for the next £500 million and 0.5% thereafter. It was previously set at 0.96% per annum of market capitalisation. Market capitalisation is defined as the Company's closing Ordinary share price quoted on the London Stock Exchange multiplied by the number of Ordinary shares in issue (excluding those held in Treasury), as determined on the last business day of the calendar month to which the remuneration relates. The balance due to the Manager at the year end was £2,138,000 (2021 – £663,000) which represents nine months' fees (2021 – two months).

The management agreement may be terminated by either the Company or the Manager on the expiry of three months' written notice. On termination, the Manager would be entitled to receive fees which would otherwise have been due to that date.

With effect from 1 August 2021, management fees are charged 25% to revenue and 75% to capital (previously 100% to revenue).

5. Administrative expenses

	2022 £'000	2021 £'000
Administration fees[A]	**103**	99
Directors' fees[B]	**144**	157
Promotional activities[C]	**219**	219
Auditors' remuneration:		
– fees payable to the auditors for the audit of the annual financial statements	**42**	44
Custodian charges	**293**	276
Depositary fees	**49**	47
Registrar fees	**51**	44
Legal and professional fees [D]	**87**	331
Other expenses	**175**	169
	1,163	1,386

[A] The Company has an agreement with aFML for the provision of administration services. The administration fee is payable quarterly in advance and is adjusted annually to reflect the movement in the Retail Prices Index. The balance due to aFML at the year end was £52,000 (2021 – £25,000). The agreement is terminable on six months' notice.
[B] No pension contributions were made in respect of any of the Directors.
[C] Under the management agreement, the Company has also appointed aFML to provide promotional activities to the Company by way of its participation in the abrdn Investment Trust Share Plan and ISA. aFML has delegated this role to abrdn plc. The total fee paid and payable under the agreement in relation to promotional activities was £219,000 (2021 – £219,000). There was a £73,000 (2021 – £73,000) balance due to abrdn plc at the year end.
[D] As per note 22 on page 100, the Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity for the year ended 31 July 2021 have been restated to reallocate costs of £250,000 incurred during that period in relation to the long-term investment strategy review from revenue to capital. There has been no change to the overall charge for the year ended 31 July 2021 of £331,000.

6. Finance costs

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Loans repayable in less than one year	**-**	**-**	**-**	50	–	50
Interest on 3.05% Senior Unsecured Loan Note 2035	**230**	**691**	**921**	611	–	611
Interest on 2.25% CULS 2025	**207**	**620**	**827**	824	–	824
Notional interest on 2.25% CULS 2025	**39**	**115**	**154**	153	–	153
Amortisation of 2.25% CULS 2025 issue expenses	**23**	**71**	**94**	94	–	94
	499	**1,497**	**1,996**	1,732	–	1,732

With effect from 1 August 2021, finance costs have been charged 25% to revenue and 75% to capital (previously 100% to revenue).

Notes to the Financial Statements

Continued

7. Taxation

	2022			2021		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
(a) Analysis of charge for the year						
Indian capital gains tax rebate on sales	**-**	**-**	**-**	–	(101)	(101)
Overseas taxation	**956**	**71**	**1,027**	550	26	576
Total current tax charge for the year	**956**	**71**	**1,027**	550	(75)	475
Deferred tax charge on Indian capital gains	**-**	**(947)**	**(947)**	–	3,631	3,631
Total tax charge for the year	**956**	**(876)**	**80**	550	3,556	4,106

The Company has recognised a deferred tax liability of £2,684,000 (2021 - £3,631,000) on capital gains which may arise if Indian investments are sold.

At 31 July 2022 the Company had surplus management expenses and loan relationship deficits of £70,420,000 (2021 – £64,205,000) in respect of which a deferred tax asset has not been recognised. This is due to the Company having sufficient excess management expenses available to cover the potential liability and the Company is not expected to generate taxable income in the future in excess of deductible expenses. The Finance Act 2021 received Royal Assent on 10 June 2021 and the rate of Corporation Tax of 25% effective from 1 April 2023 has been used to calculate the potential deferred tax asset of £17,605,000 (2021 – £16,051,000).

(b) Factors affecting the tax charge for the year. The tax assessed for the year is higher (2021 – lower) than the current standard rate of corporation tax in the UK for a large company of 19% (2021 – 19%). The differences are explained below:

	2022			2021		
	Revenue £'000	Capital £'000	Total £'000	(*Restated) Revenue £'000	(*Restated) Capital £'000	Total £'000
Return before taxation[A]	**15,608**	**(26,550)**	**(10,942)**	3,186	147,403	150,589
Return multiplied by the standard tax rate of corporation tax of 19%[A]	**2,966**	**(5,045)**	**(2,079)**	605	28,007	28,612
Effects of:						
Losses/(gains) on investments not taxable	**-**	**4,242**	**4,242**	-	(28,135)	(28,135)
Exchange (gains)/losses	**-**	**(14)**	**(14)**	-	81	81
Overseas tax	**956**	**71**	**1,027**	550	26	576
Indian capital gains tax rebate on sales	**-**	**-**	**-**	-	(101)	(101)
Movement in deferred tax liability on Indian capital gains	**-**	**(947)**	**(947)**	-	3,631	3,631
UK dividend income	**(112)**	**-**	**(112)**	(71)	-	(71)
Non-taxable dividend income	**(3,319)**	**-**	**(3,319)**	(1,757)	-	(1,757)
Expenses not deductible for tax purposes	**25**	**76**	**101**	25	-	25
Movement in unutilised management expenses[A]	**345**	**457**	**802**	869	47	916
Movement in unutilised loan relationship deficits	**95**	**284**	**379**	329	-	329
Total tax charge for the year	**956**	**(876)**	**80**	550	3,556	4,106

[A] Further details of the restatement can be found in note 22 on page 100.

8. Dividends

	2022 £'000	2021 £'000
Final dividend for 2021 - 3.0p (2020 - 2.9p)	**4,708**	4,612
Special dividend for 2021 - 0.2p (2020 - 0.9p)	**314**	1,431
Interim dividend for 2022 - 3.2p (2021 - nil)	**5,023**	-
Interim dividend for 2022 - 1.6p (2021 - nil)	**2,511**	-
Write off 2018 dividend debtor	**-**	1
	12,556	6,044

Proposed final and special dividends are subject to approval by shareholders at the Annual General Meeting and are not included as a liability in the financial statements.

Notes to the Financial Statements

Continued

We set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158 – 1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the current year is £14,652,000 (2021 (*restated- £2,636,000).

	2022 £'000	2021 £'000
Interim dividend for 2022 – 3.2p (2021 – nil)	**5023**	–
Interim dividend for 2022 – 1.6p (2021 – nil)	**2511**	–
Interim dividend for 2022 – 1.6p (2021 – nil)	**2511**	–
Proposed final dividend for 2022 – nil (2021 – 3.0p)	**–**	4,708
Proposed special dividend for 2022 – 1.6p (2021 – 0.2p)	**2,511**	314
	12,556	5,022

The amount reflected above for the cost of the proposed final and special dividend for 2022 is based on 156,953,631 Ordinary shares, being the number of Ordinary shares in issue excluding shares held in treasury at the date of this Report.

The rates disclosed for prior year has been restated to reflect the 5:1 sub-division as disclosed in note 14.

9. Return per share

	2022			2021		
	Revenue	Capital	Total	(*Restated) Revenue	(*Restated) Capital	Total
Basic						
Return after taxation (£'000)	**14,652**	**(25,674)**	**(11,022)**	2,636	143,847	146,483
Weighted average number of shares in issue[A]			**156,951,436**			158,635,715
Return per share (p)	**9.34**	**(16.36)**	**(7.02)**	1.66	90.68	92.34

	2022			2021		
Diluted	Revenue	Capital	Total	Revenue	Capital	Total
Return after taxation (£'000)	**14,831**	**(25,139)**	**(10,308)**	3,253	143,847	147,100
Weighted average number of shares in issue[AB]			**169,459,584**			171,154,920
Return per share (p)	**8.75**	**n/a**	**n/a**	n/a	84.04	85.95

[A] Calculated excluding shares held in treasury.

[B] The calculation of the diluted total, revenue and capital returns per Ordinary share is carried out in accordance with IAS 33, "Earnings per Share". For the purpose of calculating total, revenue and capital returns per Ordinary share, the number of Ordinary shares used is the weighted average number used in the basic calculation plus the number of Ordinary shares deemed to be issued for no consideration on exercise of all 2.25% Convertible Unsecured Loan Stock 2025 ("CULS"). The calculations indicate that the exercise of CULS would result in an increase in the weighted average number of Ordinary shares of 12,508,148 (2021 (*restated) – 12,519,205) to 169,459,584 (2021 (*restated) – 171,154,920) Ordinary shares.

For the year ended 31 July 2022 the assumed conversion for potential Ordinary shares was dilutive to the revenue return per Ordinary share but non-dilutive to the capital return per Ordinary share (2021 - non-dilutive to the revenue return but dilutive to the capital return). Where dilution occurs, the net returns are adjusted for interest charges and issue expenses relating to the CULS (2022 - £714,000; 2021 - £617,000). Total earnings for the period are tested for dilution. Once dilution has been determined individual revenue and capital earnings are adjusted.

The returns per share figures for 2021 have been restated to reflect the 5:1 sub-division as disclosed in note 14 on page 88.

10. Investments at fair value through profit or loss

	2022 £'000	2021 £'000
Opening book cost	**346,431**	314,306
Opening investment holding gains	**194,490**	80,161
Opening fair value	**540,921**	394,467
Analysis of transactions made during the year		
Purchases at cost	**79,496**	83,636
Sales proceeds received	**(73,252)**	(85,260)
(Losses)/gains on investments	**(22,324)**	148,078
Closing fair value	**524,841**	540,921
Closing book cost	**377,733**	346,431
Closing investment gains	**147,108**	194,490
Closing fair value	**524,841**	540,921

	2022 £'000	2021 £'000
Investments listed on an overseas investment exchange	**510,984**	529,261
Investments listed on the UK investment exchange	**13,857**	11,660
	524,841	540,921

The Company received £73,252,000 (2021 - £85,260,000) from investments sold in the period. The book cost of these investments when they were purchased was £48,194,000 (2021 - £51,511,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

Notes to the Financial Statements

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

	2022 £'000	2021 £'000
Purchases	**91**	173
Sales	**147**	152
	238	325

The above transaction costs are calculated in line with the AIC SORP. The transaction costs in the Company's Key Information Document are calculated on a different basis and in line with the PRIIPs regulations.

11. Debtors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts due from brokers	**280**	4,060
Other debtors	**766**	418
Prepayments and accrued income	**418**	629
	1,464	5,107

None of the above amounts is past their due date or impaired (2021 – same).

12. Creditors

Amounts falling due within one year	2022 £'000	2021 £'000
Amounts due to brokers	**–**	1,997
Other creditors	**2,864**	1,425
	2,864	3,422

13. Non-current liabilities

(a) CULS	2022 Number of units £'000	2022 Liability component £'000	2022 Equity component £'000	2021 Number of units £'000	2021 Liability component £'000	2021 Equity component £'000
2.25% Convertible Unsecured Loan Stock 2025						
Balance at beginning of year	**36,658**	**35,708**	**1,057**	36,694	35,497	1,057
Conversion of 2.25% CULS 2025	**(16)**	**(16)**	**-**	(36)	(36)	–
Notional interest on CULS transferred to revenue reserve	**-**	**154**	**-**	–	153	–
Amortisation and issue expenses	**-**	**94**	**-**	–	94	–
Balance at end of year	**36,642**	**35,940**	**1,057**	36,658	35,708	1,057

The 2.25% Convertible Unsecured Loan Stock 2025 ("CULS") can be converted at the election of holders into Ordinary shares during the months of May and November each year throughout their life, commencing 30 November 2018 to 31 May 2025 at a rate of 1 Ordinary share for every 293.0p (2021 – 1,465.0p) nominal of CULS. Interest is payable on the CULS on 31 May and 30 November each year, commencing on 30 November 2018. With effect from 1 August 2021, the interest will be charged 25% to revenue and 75% to capital (previously 100% to revenue), in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

The CULS has been constituted as an unsecured subordinated obligation of the Company by the Trust Deed between the Company and the Trustee, the Law Debenture Trust Corporation p.l.c., dated 23 May 2018. The Trust Deed details the 2025 CULS holders' rights and the Company's obligations to the CULS holders and the Trustee oversees the operation of the Trust Deed. In the event of a winding-up of the Company the rights and claims of the Trustee and CULS holders would be subordinate to the claims of all creditors in respect of the Company's secured and unsecured borrowings, under the terms of the Trust Deed.

In 2022 the Company received elections from CULS holders to convert £15,343 (2021 – £36,476) nominal amount of CULS into 5,211 (2021 – 2,475) Ordinary shares.

The fair value of the 2025 CULS at 31 July 2022 was £37,009,000 (2021 - £37,941,000).

(b) Loan Note	2022 £'000	2021 £'000
3.05% Senior Unsecured Loan Note 2035	**30,000**	30,000
Unamortised Loan Note issue expenses	**(108)**	(114)
	29,892	29,886

On 1 December 2020 the Company issued £30,000,000 of a 15 year loan note at a fixed rate of 3.05%. Interest is payable in half yearly instalments in June and December and the Loan Note is due to be redeemed at par on 1 December 2035. The issue costs of £118,000 will be amortised over the life of the loan note. The Company has complied with the Note Purchase Agreement that the ratio of total borrowings to adjusted net assets will not exceed 0.20 to 1.00, that the ratio of total borrowings to adjusted net liquid assets will not exceed 0.60 to 1.00, that net tangible assets will not be less than £225,000,000 and that the minimum number of listed assets will not be less than 40.

The fair value of the Senior Unsecured Loan Note as at 31 July 2022 was £28,804,000 (2021 - £30,713,000), the value being based on a comparable quoted debt security.

		2022 £'000	2021 £'000
(c)	**Deferred tax liability on Indian capital gains**	**2,684**	3,631

14. Called up share capital

	2022 £'000	2021 £'000
Allotted, called-up and fully paid		
Ordinary shares of 5p (2021 - 25p)	**7,848**	7,848
Treasury shares	**2,587**	2,587
	10,435	10,435

	Ordinary shares Number	Treasury shares Number	Total shares Number
At 31 July 2021[A]	156,948,420	51,744,590	208,693,010
Conversion of CULS	5,211	-	5,211
At 31 July 2022	**156,953,631**	**51,744,590**	**208,698,221**

[A]The prior year has been restated to reflect the 5:1 sub-division as disclosed below.

On 7 February 2022 there was a sub-division of each existing Ordinary 25p share into five Ordinary shares of 5p each.

During the year no Ordinary shares of 5p were purchased (2021 - 1,055,000 Ordinary shares of 25p purchased) by the Company at a total cost of £nil (2021 - total cost of £11,473,000), all of which were held in treasury. At the year end 51,744,590 (2021 (*restated) - 51,744,590) shares were held in treasury, which represents 24.79% (2021 - 24.79%) of the Company's total issued share capital at 31 July 2022. During the year there were a further 5,211 (2021 - 2,475) Ordinary shares issued as a result of CULS conversions.

Since the year end no further Ordinary shares of 5p have been purchased by the Company.

15. Reserves

	2022 £'000	2021 (*Restated) £'000
Capital reserve		
At 31 July 2021 (*restated – see note 22)	**401,124**	268,750
Movement in investment holdings fair value	**(47,382)**	114,329
Gains on realisation of investments at fair value	**25,058**	33,749
Purchase of own shares to treasury	**–**	(11,473)
Indian capital gains tax rebate on sales	**–**	101
Movement in deferred liability on Indian capital gains	**947**	(3,631)
Withholding tax charged on capital dividends	**(71)**	(26)
Foreign exchange movement	**72**	(425)
Capital expenses (*restated – see note 22)	**(4,298)**	(250)
At 31 July 2022	**375,450**	401,124

The capital reserve includes investment holding gains amounting to £147,108,000 (2021 – £194,490,000) as disclosed in note 10. The above split in capital reserve is shown in accordance with provisions of the Statement of Recommended Practice 'Financial Statements Of Investment Trust Companies and Venture Capital Trusts'.

16. Net asset value per share

	2022	2021
Basic		
Net assets attributable	**£464,396,000**	£487,958,000
Number of shares in issue[AB]	**156,953,631**	156,948,420
Net asset value per share[B]	**295.88p**	310.90p

	2022	2021
Diluted		
Net assets attributable	**£500,336,000**	£523,666,000
Number of shares in issue[AB]	**169,459,574**	169,459,600
Net asset value per share[BC]	**295.25p**	309.02p

[A] Calculated excluding shares held in treasury.
[B] Figures for 2021 have been restated to reflect the 5:1 sub-division as disclosed in note 14 on page 88.
[C] The diluted net asset value per share has been calculated on the assumption that £36,642,412 (2021 – £36,657,755) 2.25% Convertible Unsecured Loan Stock 2025 ("CULS") is converted at 293.0p (2021 – 1,465.0p) per share, giving a total of 169,459,574 (2021 (*restated) – 169,459,600) shares. Where dilution occurs, the net assets are adjusted for items relating to the CULS.

Notes to the Financial Statements

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Net asset value per share – debt converted. In accordance with the Company's understanding of the current methodology adopted by the AIC, convertible financial instruments are deemed to be "in the money" if the cum income net asset value ("NAV") exceeds the conversion price of 293.0p (2021 – 1,465.0p) per share. In such circumstances a net asset value is produced and disclosed assuming the convertible debt is fully converted. At 31 July 2022 the cum income NAV was 295.88p (2021 (*restated) – 310.90p) and thus the CULS were 'in the money' (2021 – same).

17. Analysis of changes in net debt

	At 31 July 2021 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 July 2022 £'000
Cash and short term deposits	**14,577**	**72**	**(5,178)**	**–**	**9,471**
Debt due after more than one year	**(69,225)**	**–**	**–**	**709**	**(68,516)**
	(54,648)	**72**	**(5,178)**	**709**	**(59,045)**

	At 31 July 2020 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 July 2021 £'000
Cash and short term deposits	10,919	(425)	4,083	–	14,577
Debt due within one year	(11,200)	–	11,200	–	–
Debt due after more than one year	(35,497)	–	(29,882)	(3,846)	(69,225)
	(35,778)	(425)	(14,599)	(3,846)	(54,648)

A statement reconciling the movement in net funds to the net cash flow has not been presented as there are no differences from the above analysis.

18. Related party transactions and transactions with the Manager

Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration Report on pages 56 to 58. The balance of fees due to Directors at the year end was £nil (2021 – £nil).

The Company's Investment Manager, abrdn Asia, is a wholly-owned subsidiary of abrdn plc, which has been delegated, under an agreement with aFML, to provide management services to the Company, the terms of which are outlined in notes 4 and 5 along with details of transactions during the year and balances outstanding at the year end. Up until 27 November 2020 Mr Young, a director of abrdn Asia, was the Alternate Director for Mr Martin Gilbert. Up until 1 December 2020 Mr Yea was a Director of the Company as well as being a director of the Company's registrar, Equiniti Limited.

19. Financial instruments

Risk management. The Company's investment activities expose it to various types of financial risk associated with the financial instruments and markets in which it invests. The Company's financial instruments comprise equities and other investments, cash balances, loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income.

The Board has delegated the risk management function to aFML under the terms of its management agreement with aFML (further details of which are included under note 4 and in the Directors' Report) however, it remains responsible for the risk and control framework and operation of third parties. The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors.

Risk management framework. The directors of aFML collectively assume responsibility for aFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

aFML is a fully integrated member of the abrdn Group ("the Group"), which provides a variety of services and support to aFML in the conduct of its business activities, including in the oversight of the risk management framework for the Company. The AIFM has delegated the day to day administration of the investment policy to abrdn Asia, which is responsible for ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (details of which can be found on the Company's website). The AIFM has retained responsibility for monitoring and oversight of investment performance, product risk and regulatory and operational risk for the Company.

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group CEO and to the Audit Committee of the Group's Board of Directors. The Internal Audit Department is responsible for providing an independent assessment of the Group's control environment.

The Manager conducts its risk oversight function through the operation of the Group's risk management processes and systems which are embedded within the Group's operations. The Group's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by the Group's Chief Risk Officer, who reports to the CEO of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("SHIELD").

The Group's corporate governance structure is supported by several committees to assist the board of directors, its subsidiaries and the Company to fulfil their roles and responsibilities. The Group's Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described in the committees' terms of reference.

Risk management. The main risks the Company faces from these financial instruments are (i) market risk (comprising interest rate, foreign currency and other price risk), (ii) liquidity risk and (iii) credit risk.

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

Notes to the Financial Statements

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Interest rate risk. Interest rate movements may affect:

- the level of income receivable on cash deposits;

- valuation of debt securities in the portfolio.

Management of the risk. The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions. When drawn down, interest rates are fixed on borrowings.

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

At 31 July 2022	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Sterling	-	-	-	8,585
Taiwan Dollar	-	-	-	458
Vietnam Dong	-	-	-	371
Sri Lanka Rupee	-	-	-	32
Pakistan Rupee	-	-	-	11
Indian Rupee	-	-	-	9
Thailand Baht	-	-	-	3
Malaysian Ringgit	-	-	-	2
	-	-	-	9,471
Liabilities				
2.25% Convertible Unsecured Loan Stock 2025	2.83	2.3	35,940	-
3.05% Senior Unsecured Loan Note 2035	13.35	3.1	29,892	-
	-	-	65,832	-

At 31 July 2021	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Sterling	–	–	–	13,712
Indian Rupee	–	–	–	476
Pakistan Rupee	–	–	–	14
Thailand Baht	–	–	–	141
Vietnam Dong	–	–	–	2
Malaysian Ringgit	–	–	–	2
Taiwan Dollar	–	–	–	230
	–	–	–	14,577
Liabilities				
2.25% Convertible Unsecured Loan Stock 2025	3.83	3.1	35,708	–
3.05% Senior Unsecured Loan Note 2035	14.35	3.1	29,886	–
	–	–	65,594	–

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

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

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

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

Foreign currency risk. Most of the Company's investment portfolio is invested in overseas securities and the Statement of Financial Position, therefore, can be significantly affected by movements in foreign exchange rates.

Management of the risk. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings.

The revenue account is subject to currency fluctuations arising on dividends receivable in foreign currencies and, indirectly, due to the impact of foreign exchange rates upon the profits of investee companies. It is not the Company's policy to hedge this currency risk but the Board keeps under review the currency returns in both capital and income.

Notes to the Financial Statements

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Foreign currency risk exposure by currency of denomination:

	31 July 2022			31 July 2021		
	Overseas investments £'000	Net monetary assets/ (liabilities) £'000	Total currency exposure £'000	Overseas Investments £'000	Net monetary assets/ (liabilities) £'000	Total currency exposure £'000
Australian Dollar	7,940	-	7,940	-	-	-
Chinese Renminbi	15,756	-	15,756	4,619	-	4,619
Danish Krona	12,352	-	12,352	10,157	-	10,157
Hong Kong Dollar	64,947	-	64,947	57,636	-	57,636
Indian Rupee	82,097	9	82,106	90,186	476	90,662
Indonesian Rupiah	55,431	-	55,431	43,412	-	43,412
Korean Won	31,429	-	31,429	34,240	-	34,240
Malaysian Ringgit	35,339	2	35,341	29,106	2	29,108
Taiwan Dollar	56,994	458	57,452	78,501	230	78,731
New Zealand Dollar	14,061	-	14,061	17,054	-	17,054
Pakistan Rupee	-	11	11	927	14	941
Philippine Peso	19,825	-	19,825	21,921	-	21,921
Singapore Dollar	41,585	-	41,585	55,283	-	55,283
Sri Lankan Rupee	7,640	32	7,672	13,942	-	13,942
Thailand Baht	35,114	3	35,117	44,104	141	44,245
Vietnamese Dong	30,474	371	30,845	28,173	2	28,175
	510,984	886	511,870	529,261	865	530,126
Sterling	13,857	(57,247)	(43,390)	11,660	(51,882)	(40,222)
Total	524,841	(56,361)	468,480	540,921	(51,017)	489,904

Foreign currency sensitivity. The Company's foreign currency financial instruments are in the form of equity investments, fixed interest investments, cash and bank loans. The sensitivity of the former has been included within other price risk sensitivity analysis so as to show the overall level of exposure. Due consideration is paid to foreign currency risk throughout the investment process.

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

Investment in Far East equities or those of companies that derive significant revenue or profit from the Far East involves a greater degree of risk than that usually associated with investment in the securities in major securities markets. The securities that the Company owns may be considered speculative because of this higher degree of risk. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. Both the allocation of assets and the stock selection process, as detailed on pages 106 to 108, act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on various stock exchanges worldwide.

Other price risk sensitivity. If market prices at the reporting date had been 20% (2021 - 20%) higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 July 2022 would have increased/(decreased) by £104,968,000 (2021 - increased/(decreased) by £108,184,000) and equity reserves would have increased/(decreased) by the same amount.

Liquidity risk. This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Gearing comprises both senior unsecured loan notes and convertible unsecured loan stock. The Board has imposed a maximum gearing level, measured on the most stringent basis of calculation after netting off cash equivalents, of 25%. Details of borrowings at the 31 July 2022 are shown in note 13.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Details of the Board's policy on gearing are shown in the investment policy section on page 12.

Liquidity risk exposure. At 31 July 2022 the Company had borrowings in the form of the £36,642,000 (2021 – £36,658,000) nominal of 2.25% Convertible Unsecured Loan Stock 2025 and £29,892,000 (2021 – £29,886,000) in the form of the 3.05% Senior Unsecured Loan Note 2035.

At 31 July 2022 the amortised cost of the Company's 3.05% Senior Unsecured Loan Note 2035 was £29,892,000 (2021 – £29,886,000). The maximum exposure at 31 July 2022 was £29,892,000 (2021 – £29,886,000) and the minimum exposure at 31 July 2022 was £29,886,000 (2021 – £29,886,000).

The maturity profile of the Company's existing borrowings is set out below.

31 July 2022	Expected cashflows £'000	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000
2.25% Convertible Unsecured Loan Stock 2025	38,282	–	827	37,455
3.05% Senior Unsecured Loan Note 2035	42,353	–	915	41,438
	80,635	–	1,742	78,893

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31 July 2021	Expected cashflows £'000	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000
2.25% Convertible Unsecured Loan Stock 2025	39,692	–	826	38,866
3.05% Senior Unsecured Loan Note 2035	43,268	–	915	42,353
	82,960	–	1,741	81,219

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

Management of the risk. Investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Investment Manager, and limits are set on the amount that may be due from any one broker. Settlement of investment transactions are also done on a delivery versus payment basis;

– the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a monthly basis. In addition, the third party administrator carries out a stock reconciliation to Custodian records on a monthly basis to ensure discrepancies are picked up on a timely basis. The Manager's compliance department carries out periodic reviews of the Custodian's operations and reports its finding to the Manager's risk management committee. This review will also include checks on the maintenance and security of investments held; and

– cash is held only with reputable banks with high quality external credit ratings.

It is the Manager's policy to trade only with A- and above (Long Term rated) and A-1/P-1 (Short Term rated) counterparties.

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

Credit risk exposure. In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 31 July was as follows:

	2022		2021	
Current assets	**Statement of Financial Position £'000**	**Maximum exposure £'000**	**Statement of Financial Position £'000**	**Maximum exposure £'000**
Debtors and prepayments	**1,464**	**1,464**	5,107	5,107
Cash and short term deposits	**9,471**	**9,471**	14,577	14,577
	10,935	**10,935**	19,684	19,684

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

Fair values of financial assets and financial liabilities. The fair value of the loan note has been calculated at £28,804,000 as at 31 July 2022 (2021 – £30,713,000) compared to a value at amortised cost in the financial statements of £29,892,000 (2021 – £29,886,000) (note 13). The fair value of the loan note is determined by aggregating the expected future cash flows for that loan discounted at a rate comprising the borrower's margin plus an average of market rates applicable to loans of a similar period of time and currency. Investments held at fair value through profit or loss are valued at their quoted bid prices which equate to their fair values. The Directors are of the opinion that the other financial assets and liabilities, excluding CULS which are held at amortised cost, are stated at fair value in the Statement of Financial Position and considered that this approximates to the carrying amount.

20. Fair value hierarchy

FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The financial assets measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at 31 July 2022 as follows:

As at 31 July 2022	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets and liabilities at fair value through profit or loss					
Quoted equities	a)	**511,540**	**–**	**9,664**	**521,204**
Quoted preference shares	b)	**–**	**3,203**	**–**	**3,203**
Quoted warrants	b)	**–**	**434**	**–**	**434**
Net fair value		**511,540**	**3,637**	**9,664**	**524,841**

As at 31 July 2021	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets and liabilities at fair value through profit or loss					
Quoted equities	a)	536,934	–	–	536,934
Quoted preference shares	b)	–	3,652	–	3,652
Quoted warrants	b)	–	335	–	335
Net fair value		536,934	3,987	–	540,921

a) Quoted equities. The fair value of the Company's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.

b) Quoted preference shares and quoted warrants. The fair value of the Company's investments in quoted preference shares and quoted warrants has been determined by reference to their quoted bid prices at the reporting date. Investments categorised as Level 2 are not considered to trade as actively as Level 1 assets.

Level 3 Financial assets at fair value through profit or loss	Year ended 31 July 2022 £'000	Year ended 31 July 2021 £'000
Opening fair value	**–**	–
Transfers from level 1	**9,664**	–
Total gains or losses included in losses on investments in the Statement of Comprehensive Income:		–
– assets disposed of during the year	**–**	–
– assets held at the end of the year	**–**	–
Closing balance	**9,664**	–

During the year, the Company changed the basis for valuing its holding in Cebu Holdings. The investee company has received regulatory approval to merge with another company, Ayala Land, and new shares will be issued in Ayala Land in the near future to satisfy the transaction by a share conversion. The valuation methodology employed is based on the underlying quoted price of Ayala Land and the implied conversion ratio.

21. Capital management policies and procedures

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt (comprising CULS and Loan Note) and equity balance.

The Company's capital comprises the following:

	2022 £'000	2021 £'000
Equity		
Equity share capital	**10,435**	10,435
Reserves	**453,961**	477,523
Liabilities		
3.05% Senior Unsecured Loan Note 2035	**29,892**	29,886
2.25% Convertible Unsecured Loan Stock 2025	**35,940**	35,708
	530,228	553,552

The Board's policy is to utilise gearing when the Manager believes it appropriate to do so, up to a maximum of 25% geared at the time of drawdown. Gearing for this purpose is defined as the excess amount above shareholders' funds of total assets (including net current assets/liabilities) less cash/cash equivalents, expressed as a percentage of the shareholders' funds. If the amount so calculated is negative, this is shown as a 'net cash' position.

	2022 £'000	2021 £'000
Investments at fair value through profit or loss	**524,841**	540,921
Current assets excluding cash and cash equivalents	**1,184**	1,047
Current liabilities	**(2,864)**	(1,425)
Deferred tax liability on Indian capital gains	**(2,684)**	(3,631)
	520,477	536,912
Net assets	**464,396**	487,958
Gearing (%)	**12.1**	10.0

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. The review includes:

- the planned level of gearing which takes account of the Manager's views on the market;
- the level of equity shares in issue;
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company's objectives, policies and processes for managing capital are unchanged from the preceding accounting period.

The Company does not have any externally imposed capital requirements.

Notes to the Financial Statements

Continued

22. Prior year restatement

The Statement of Comprehensive Income, the Statement of Financial Position and the Statement of Changes in Equity for the year ended 31 July 2021 have been restated to reallocate costs of £250,000 incurred during that period in relation to the long-term investment strategy review from revenue to capital. This treatment was changed to align to the presentation in accordance with guidance provided by the AIC's SORP as disclosed in the 2021 annual report as these costs were adjudged by the Board to have been incurred, wholly or partly, in connection with the maintenance or enhancement of the value of the investments in the portfolio.

Consequently, in the Statement of Comprehensive Income for the year ended 31 July 2021, administrative expenses allocated to revenue have decreased from £1,386,000 to £1,136,000 and administrative expenses allocated to capital have increased from £nil to £250,000. In the Statement of Financial Position as at 31 July 2021 the capital reserve has decreased from £401,374,000 to £401,124,000 and the revenue reserve has increased from £12,618,000 to £12,868,000. In the Statement of Changes in Equity for the year ended 31 July 2021, the return after taxation allocated to the capital reserve has decreased from a gain of £144,097,000 to a gain of £143,847,000 and the return after taxation allocated to the revenue reserve has increased from £2,386,000 to £2,636,000. In note 7(b) (i) the revenue return before taxation has increased from £2,936,000 to £3,186,000 and the capital return before taxation has decreased from £147,653,000 to £147,403,000 (ii) the revenue return multiplied by the standard rate of corporation tax of 19% has increased from £558,000 to £605,000 and the capita return multiplied by the standard rate of corporation tax of 19% has decreased from £28,054,000 to £28,007,000 and (iii) the movement in unutilised management expenses allocated to revenue has decreased from £916,000 to £869,000 and the movement in unutilised management expenses allocated to capital has increased from £nil to £47,000.

Alternative Performance Measures

Alternative Performance Measures ("APMs") are numerical measures of the Company's current, historical or future performance, financial position or cash flows, other than financial measures defined or specified in the applicable financial framework. The Company's applicable financial framework includes FRS 102 and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Discount to net asset value per Ordinary share

The difference between the share price and the net asset value per Ordinary share expressed as a percentage of the net asset value per Ordinary share. 2022 has been presented on a diluted basis as the Convertible Unsecured Loan Stock ("CULS") is "in the money" (2021 - same).

		As at 31 July 2022	As at 31 July 2021 (*Restated)
NAV per Ordinary share (p)	a	**295.25**	309.02
Share price (p)	b	**254.00**	266.00
Discount	(a-b)/a	**14.0%**	13.9%

* Rates for 2021 have been restated to reflect the 5:1 sub division as disclosed in note14.

Dividend cover

Revenue return per Ordinary share divided by dividends declared for the year per Ordinary share expressed as a ratio.

		Year ended 31 July 2022	Year ended 31 July 2021 (*Restated)
Revenue return per Ordinary share (p)	a	**9.34**	1.66
Dividends declared (p)	b	**8.00**	3.20
Dividend cover	a/b	**1.17**	0.52

* Rates for 2021 have been restated to reflect the 5:1 sub division as disclosed in note14.

Alternative Performance Measures
Continued

Net gearing

Net gearing measures the total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due from and to brokers at the year end as well as cash and short term deposits.

		Year ended 31 July 2022	Year ended 31 July 2021
Borrowings (£'000)	a	**65,832**	65,594
Cash and short term deposits (£'000)	b	**9,471**	14,577
Amounts due to brokers (£'000)	c	**-**	1,997
Amounts due from brokers (£'000)	d	**280**	4,060
Shareholders' funds (£'000)	e	**464,396**	487,958
Net gearing	(a-b+c-d)/e	**12.1%**	10.0%

Ongoing charges

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average published daily net asset values with debt at fair value throughout the year.

	2022	2021
Investment management fees (£'000)	**3,204**	3,570
Administrative expenses (£'000)	**1,561**	1,386
Less: non-recurring charges[A] (£'000)	**(428)**	(297)
Ongoing charges (£'000)	**4,337**	4,659
Average net assets (£'000)	**490,446**	422,440
Ongoing charges ratio	**0.88%**	1.10%

[A] Professional fees comprising corporate and legal fees associated with proposals approved by shareholders on 27 January 2022.

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations, which includes finance costs and transaction charges.

Total return

NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV and share price total returns are monitored against open-ended and closed-ended competitors, and the Reference Index, respectively.

Year ended 31 July 2022		NAV	Share Price
Opening at 1 August 2021	a	309.02p	266.00p
Closing at 31 July 2022	b	295.25p	254.00p
Price movements	c=(b/a)-1	-4.5%	-4.5%
Dividend reinvestment[A]	d	2.5%	2.8%
Total return	c+d	-2.0%	-1.7%

Year ended 31 July 2021 (*Restated)		NAV	Share Price
Opening at 1 August 2020	a	221.29p	196.00p
Closing at 31 July 2021	b	309.02p	266.00p
Price movements	c=(b/a)-1	39.6%	35.7%
Dividend reinvestment[A]	d	2.3%	2.5%
Total return	c+d	+41.9%	+38.2%

* Rates for 2021 have been restated to reflect the 5:1 sub division as disclosed in note14.

[A] NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

Corporate Information

The Company's Investment Manager is abrdn Asia Limited, a wholly owned subsidiary of abrdn plc which has assets under management and administration of £508 billion as at 30 June 2022

Information about the Manager

abrdn Asia Limited

abrdn Fund Managers Limited ("aFML"), authorised and regulated by the Financial Conduct Authority, has been appointed as alternative investment fund manager to the Company. aFML has in turn delegated portfolio management to abrdn Asia Limited ("abrdn Asia").

abrdn

Worldwide, the Manager has a combined £508 billion (as at 30 June 2022) in assets under management and administration for a range of clients, including individuals and institutions, through mutual and segregated funds.

abrdn has its headquarters in Edinburgh with principal offices in Aberdeen, London, Singapore, Philadelphia, Bangkok, Edinburgh, Hong Kong, Luxembourg, Jersey, Sao Paulo, Stockholm, Sydney, Taipei, and Tokyo

The Investment Team Senior Managers

Hugh Young

Chairman, Asia Pacific Region

BA in Politics from Exeter University. Started investment career in 1980. In charge of abrdn Asia's Far East funds since 1985.

Flavia Cheong

Head of Equities – Asia Pacific, Asian Equities

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

Gabriel Sacks

Investment Director, Equities Asia

Chartered Financial Analyst, MA in Land Economy from Cambridge University. Joined abrdn in 2008 as part of the London-based Global Emerging Markets Equities team and transferred to Equities Asia in 2018.

Neil Sun

Investment Manager, Equities Asia

Joined abrdn's Asian Equities team in 2018 having previously worked as a Research Analyst at Deutsche Bank and prior to that JPMorgan Asset Management. Neil has passed level II of the CFA Program

The Investment Process

As active equity investors, the Investment Manager believes that deep fundamental research, responsible stewardship with ESG, and a disciplined investment process is the best approach to meet our client's investment needs – now and in the future. Its approach to equity investing is underpinned by three core investment beliefs.

Fundamental research delivers insights that can be used to exploit market inefficiencies. In the Investment Manager's view, company fundamentals ultimately drive share prices but are often valued inefficiently in the shorter term. The Investment Manager believes that fundamental research is the key to delivering insights that allow us to exploit these inefficiencies and identify the best investment opportunities for client portfolios.

ESG assessment and corporate engagement enhance returns. The Investment Manager places constructive engagement and environmental, social and governance (ESG) considerations at the heart of company research, ensuring it is a responsible steward of its clients' assets. The Investment Manager believes that this approach can mitigate risks and enhance returns for its clients, as companies with robust ESG practices tend to enjoy long-term financial benefits.

Disciplined, active investment can deliver superior outcomes for our clients. The Investment Manager aims to build high conviction portfolios where its stock-specific insights drive performance, giving its clients access to the best investment ideas.

Our Research Drives Performance

Source: abrdn

Research

The Investment Manager has developed a proprietary research platform used by all its equity, credit and ESG teams, giving instant access to research globally. The research is focused on four key areas:

- **Foundations** – the Investment Manager analyses how the company makes money, the attractiveness and characteristics of its industry, and the strength and sustainability of the economic 'moat'. This includes a thorough evaluation of the environmental, social and governance (ESG) risks and opportunities of the company. Face-to-face meetings anchor how the Investment Manager understands and challenges the key elements of a company's fundamentals: the evolution and growth of the business; the sustainable competitive advantage; management's track record of execution and managing risk; past treatment of minority shareholders; the balance sheet and financials; and ESG risks and opportunities of the company in question.
- **Dynamics** – the shorter- and longer-term dynamics of the business that will be the key determinants of its corporate value over time. Specifically the Investment Manager looks for changes in the factors driving the market price of a stock, identifying the drivers that the wider market may not be pricing in. Understanding the dynamics behind these drivers allows the Investment Manager to focus on the factors that will drive shareholder returns from a particular stock.
- **Financials and Valuation** – the Investment Manager examines the strengths and weaknesses of the company's financials including a thorough analysis of the balance sheet, cash flow and accounting, the market's perception of the company's future prospects and value, and its own forecasts of future financials and how the stock should be priced. This includes significant focus on the dividend paying capability of each business, the potential for dividend growth and the sustainability of the payout.
- **Investment insight and risk** – the Investment Manager articulates its investment thesis, explaining how it views a stock differently from the market consensus and how the Investment Manager expects to crystallise value from the holding over time.

Integrated ESG Analysis

The detailed analysis of the Investment Manager's embedded ESG process is contained on pages 109 to 111.

Idea Generation

Research coverage is organised on a sector basis, with analysts developing deep expertise which enables them to identify investment opportunities through fundamental knowledge at both the sector and stock level. The Investment Manager also uses quantitative screening tools and risk tools to help us identify interesting stock opportunities and the most appropriate coverage universe.

Peer Review

Having a common investment language facilitates effective communication and comparison of investment ideas through peer review which is a critical part of the process. All investment ideas are subject to rigorous peer review, both at regular meetings and on an ad hoc basis – and all team members debate stocks, meet companies from all industries, and given their dual fund manager / analyst role are incentivised to fully participate in the entire process.

Portfolio Construction/Risk Controls

Portfolios are built from the bottom up, prioritising high conviction stock ideas in a risk aware framework, giving clients access to the best investment ideas. Portfolio risk budgets are derived from clients' investment objectives and required outcomes. Peer review is an essential component of the construction process with dedicated portfolio construction pods (smaller dedicated groups of senior team members that have clear accountability for the strategy) debating stock holdings, portfolio structure and risk profiles.

The Investment Process

Continued

As an active equity investor the Investment Manager has adopted a principled portfolio construction process which actively takes appropriate and intentional risk to drive return. The largest component of the active risk will be stock-specific risk, along with appropriate levels of diversification. Risk systems monitor and analyse risk exposures across multiple perspectives breaking down the risk within the portfolio by industry and country factors, by currency and macro factors, and by other fundamental factors (quality, momentum, etc.). Consideration of risk starts at the stock level with the rigorous company research helping the Investment Manager to avoid stock specific errors. The Investment Manager ensures that any sector or country risk is appropriately sized and managed relative to the overall objectives of the Company.

Operational Risk and Independent Governance Oversight

Risk management is an integral part of the Investment Manager's management process and portfolios are formally reviewed on a regular basis with the Investment Manager's Global Head of Equities, the Portfolio Managers, the Investment Manager's Investment Governance & Oversight Team (IGO) and members of the Manager's Investment Risk Team. This third party oversight both monitors portfolio risk and also oversees operational risk to ensure client objectives are met.

ESG Engagement

Environmental, Social and Governance ("ESG") Engagement

The Board is very conscious of the risks emanating from increased ESG challenges. The recent scrutiny by western governments of human rights violations in Xinjiang is an example of the need for continued vigilance regarding the supply chain exposure of investee companies and the fair and humane treatment of workers. Likewise, as climate change pressures mount, the Board continues to monitor, through its Investment Manager, the potential risk that investee companies may fail to keep pace with the appropriate rates of change and adaption.

Whilst the management of the Company's investments is not undertaken with any specific instructions to exclude certain asset types or classes, the Investment Manager embeds ESG into the research of each asset class as part of the investment process. ESG investment is about active engagement, in the belief that the performance of assets held around the world can be improved over the longer term.

What is ESG, and why do we do it?

Environmental, social and governance (ESG) considerations have been an integral part of the Investment Manager's decision-making process for almost 30 years. The Investment Manager believes that ESG factors are financially material and can meaningfully affect a company's performance. Hence, a company's ability to sustainably generate returns for investors depends on the management of its environmental impact, its consideration of the interests of society and stakeholders, and on the way it is governed. By putting ESG factors at the heart of its investment process, the Investment Manager aims to generate better outcomes for the Company's shareholders. The three factors can be considered as follows:

- Environmental factors relate to how a company conducts itself with regard to environmental conservation and sustainability. Types of environmental risks and opportunities include a company's energy consumption, waste disposal, land development and carbon footprint, among others.
- Social factors pertain to a company's relationship with its employees and vendors. Risks and opportunities can include (but are not limited to) a company's initiatives on employee health and well-being, and how supplier relationships align with corporate values.
- Corporate governance factors can include the corporate decision-making structure, independence of board members, the treatment of minority shareholders, executive compensation and political contributions, among others.

At the investment stage, ESG factors and analysis help to frame where best to invest by considering material risks and opportunities alongside other financial metrics. Due diligence can ascertain whether such risks are being adequately managed, and whether the market has understood and priced them accordingly.

The Investment Manager is an active owner, voting at shareholder meetings in a deliberate manner, working with companies to drive positive change, and engaging with policymakers on ESG and stewardship matters.

Can we measure it?

There are elements of ESG that can be quantified, for example the diversity of a board, the carbon footprint of a company, and the level of employee turnover. While diversity can be monitored, measuring inclusion is more of a challenge. Although it is possible to measure the level of staff turnover, it is more challenging to quantify corporate culture. Relying on calculable metrics alone would potentially lead to misleading insights. As active managers, quantitative and qualitative assessments are blended to better understand the ESG performance of a company.

The Investment Manager's analysts consider such factors in a systematic and globally-applied approach to assess and compare companies consistently on their ESG credentials, both regionally and against their peer group. Some of the key questions asked of companies include:

- How material are ESG issues for this company, and how are they being addressed?
- What is the quality of this company's governance, ownership structure and management?
- Are incentives and key performance indicators aligned with the company's strategy and the interests of shareholders?

ESG Engagement

Continued

The questions asked differ from company to company; the type of questions poised to a bank would be quite different from those of a semiconductor manufacturing firm. Having considered the regional universe and peer group in which the company operates, an ESG score is assigned ranging from 1 to 5. This proprietary ESG score is applied to every stock within the Investment Manager's investment universe. Refer to the ESG Investment Case Studies on pages 40 and 41 for further details and examples of how portfolio companies address their ESG requirements.

The ESG Scoring System

Having considered the regional universe and peer group in which a company operates, the Investment Manager allocates it an ESG score between one and five. This is applied across every stock covered globally. Examples of each category and a small sample of the criteria used are detailed below:

1. Best in class	2. Leader	3. Average	4. Below average	5. Laggard
ESG considerations are material part of the company's core business strategy Excellent disclosure Makes opportunities from strong ESG risk management	ESG considerations not market leading Disclosure is good, but not best in class Governance is generally very good	ESG risks are considered as a part of principal business Disclosure in line with regulatory requirements Governance is generally good but some minor concerns	Evidence of some financially material controversies Poor governance or limited oversight of key ESG issues Some issues in treating minority shareholders poorly	Many financially material controversies Severe governance concerns Poor treatment of minority shareholders

Climate Change

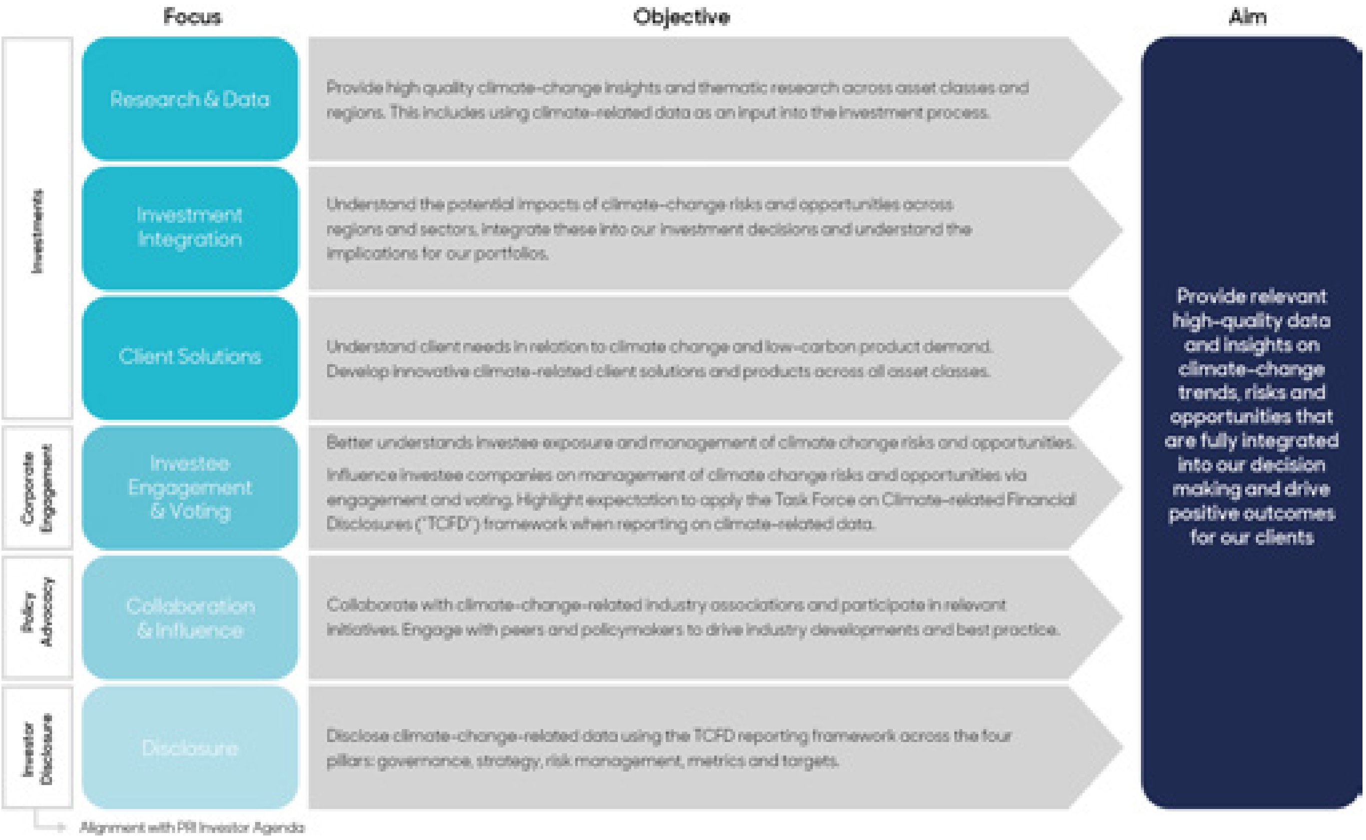
Climate change is one of the most significant challenges of the 21st century and has big implications for investors. The energy transition is underway in many parts of the world, and policy changes, falling costs of renewable energy, and a change in public perception are happening at a rapid pace. Assessing the risks and opportunities of climate change is a core part of the investment process. In particular, the Investment Manager considers:

- **Transition risks and opportunities**
  Governments could take robust climate change mitigation actions to reduce emissions and transition to a low-carbon economy. This is reflected in targets, policies and regulation and can have a considerable impact on high-emitting companies.

- **Physical risks and opportunities**
  Insufficient climate change mitigation action will lead to more severe and frequent physical damage. This results in financial implications, including damage to crops and infrastructure, and the need for physical adaptation such as flood defences.

The Investment Manager has aligned its approach with that advocated by the investor agenda of the Principles for Responsible Investment (PRI) – a United Nations-supported initiative to promote responsible investment as a way of enhancing returns and better managing risk.

PRI provides an intellectual framework to steer the massive transition of financial capital towards low-carbon opportunities. It also encourages fund managers to demonstrate climate action across four areas: investments; corporate engagement; investor disclosure; and policy advocacy as explained below:



Importance of Engagement

The Investment Manager is committed to regular, ongoing engagement with the companies in which it invests, to help to maintain and enhance their ESG standards into the future.

As part of the investment process, the Investment Manager undertakes a significant number of company meetings each year on behalf of the Company. Your Company is supported by on-desk ESG analysts, as well as a well-resourced specialist ESG Investment team. These meetings provide an opportunity to discuss various relevant ESG issues including board composition, remuneration, audit, climate change, labour issues, human rights, bribery and corruption. Companies are strongly encouraged to set clear targets or key performance indicators on all material ESG risks.

ESG engagements are conducted with consideration of the 10 principles of the United Nations Global Compact, and companies are expected to meet fundamental responsibilities in the areas of human rights, labour, the environment and anti-corruption.

This engagement is not limited to a company's management team. It can include many other stakeholders such as non-government agencies, industry and regulatory bodies, as well as activists and the company's customers and clients.

Investor Information

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Company's website (**asia-focus.co.uk**) and the TrustNet website (**trustnet.co.uk**). Alternatively you can call 0808 500 0040 (free when dialling from a UK landline) for investment company information.

Twitter: @abrdnTrusts

LinkedIn: abrdn Investment Trusts

AIFMD

The Company has appointed abrdn Fund Managers Limited as its alternative investment fund manager and BNP Paribas Trust Corporation UK as its depositary under the AIFMD. Details of the leverage and risk policies which the Company is required to have in place under AIFMD are published in the Company's PIDD which can be found on the website asia-focus.co.uk. The KID relating to the Company and published by the Manager can be found in the 'Literature Library' section of the Company's website. The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 115.

Website

Further information on abrdn Asia Focus plc can be found on its own dedicated website: asia-focus.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports.

Investor Warning

abrdn has been made aware that some investors may have received telephone calls from people purporting to work for abrdn, or third parties, who have offered to buy their investment trust shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares. These callers do not work for abrdn and any third party making such offers has no link with abrdn. abrdn does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact our Customer Services Department using the details below.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams at: **fca.org.uk/consumers/scams.**

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Trust's website: asia-focus.co.uk and the TrustNet website: trustnet.co.uk. Alternatively direct private investors can call 0808 500 00 40 (free when dialling from a UK landline) for trust information. Alternatively, internet users may email abrdn at inv.trusts@abrdn.com or write to abrdn Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc shareholders holding their shares in the Company directly should contact the registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing West Sussex BN99 6DA Tel: 0371 384 2416 Lines open 8:30am to 5:30pm (UK time), Monday to Friday, (excluding public holidays in England and Wales). Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the registrars in writing.

Any general enquiries about the Company should be directed to the Company Secretary, abrdn Asia Focus plc, 1 George Street, Edinburgh EH2 2LL or by email CEF.CoSec@abrdn.com.

If you have any questions about an investment held through the abrdn Share Plan, ISA or Investment Plan for Children, please telephone the Manager's Customer Services Department on 0808 500 0040. Alternatively, email inv.trusts@abrdn.com or write to abrdn Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

Direct

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through the abrdn Investment Plan for Children, abrdn Share Plan and abrdn Investment Trusts ISA.

abrdn Investment Plan for Children

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

abrdn Share Plan

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

abrdn Investment Trusts ISA

abrdn operates an Investment Trust ISA ("ISA") through which an investment may be made of up to £20,000 in the tax year 2022/2023.

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

abrdn Investment Trusts ISA Transfer

You can choose to transfer previous tax year investments to the abrdn Investment Trusts ISA which can be invested in the Company while retaining your ISA wrapper. The minimum lump sum for an ISA transfer is £1,000 and is subject to a minimum per trust of £250.

Literature Request Service

For literature and information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer including application forms for the Company and the Manager's investment trust products, please contact:

abrdn Investment Trust Administration
PO Box 11020
Chelmsford
Essex, CM99 2DB

Telephone: **0808 500 00 40**
(free when dialling from a UK landline)

Terms and conditions for the abrdn managed savings products can also be found under the literature section of **invtrusts.co.uk**

Investor Information

Continued

Online Dealing details

There are a number of other ways in which you can buy and hold shares in this investment company.

Online dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include: AJ Bell Youinvest; Barclays Smart Investor; Charles Stanley Direct; Fidelity; Halifax Share Dealing; Hargreaves Lansdown; Interactive Investor; Novia; Transact; Standard Life.

Discretionary private client stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Personal Investment Management and Financial Advice Association at: **pimfa.co.uk.**

Independent Financial Advisors

To find an adviser who recommends on investment trusts, visit **unbiased.co.uk.**

Regulation of Stockbrokers

Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority:

Tel: **0800 111 6768**
or visit **https://register.fca.org.uk**
Email: **register@fca.org.uk**

Suitable for Retail/NMPI Status

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking exposure to smaller companies in Asia, and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that the shares issued by abrdn Asia Focus plc can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments (NMPIs).

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

Note

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

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

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

The information on pages 112 to 114 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority

Alternative Investment Fund Managers Directive Disclosures (Unaudited)

abrdn and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ('AIFMD'). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ('PIDD') which can be found on the Company's website asia-focus.co.uk. There have been no material changes to the disclosures contained within the PIDD since January 2022.

The periodic disclosures as required under the AIFMD to investors are made below:

- Information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets are subject to special arrangements arising from their illiquid nature.
- The Strategic Report, note 18 to the Financial Statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by aFML.
- All authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the Company's AIFM remuneration policy is available from the Company Secretaries, Aberdeen Asset Management PLC on request (see contact details on page 112) and the numerical remuneration in the disclosures in respect of the AIFM's reporting period for the year ended 31 December 2021 are available on the Company's website.

Leverage

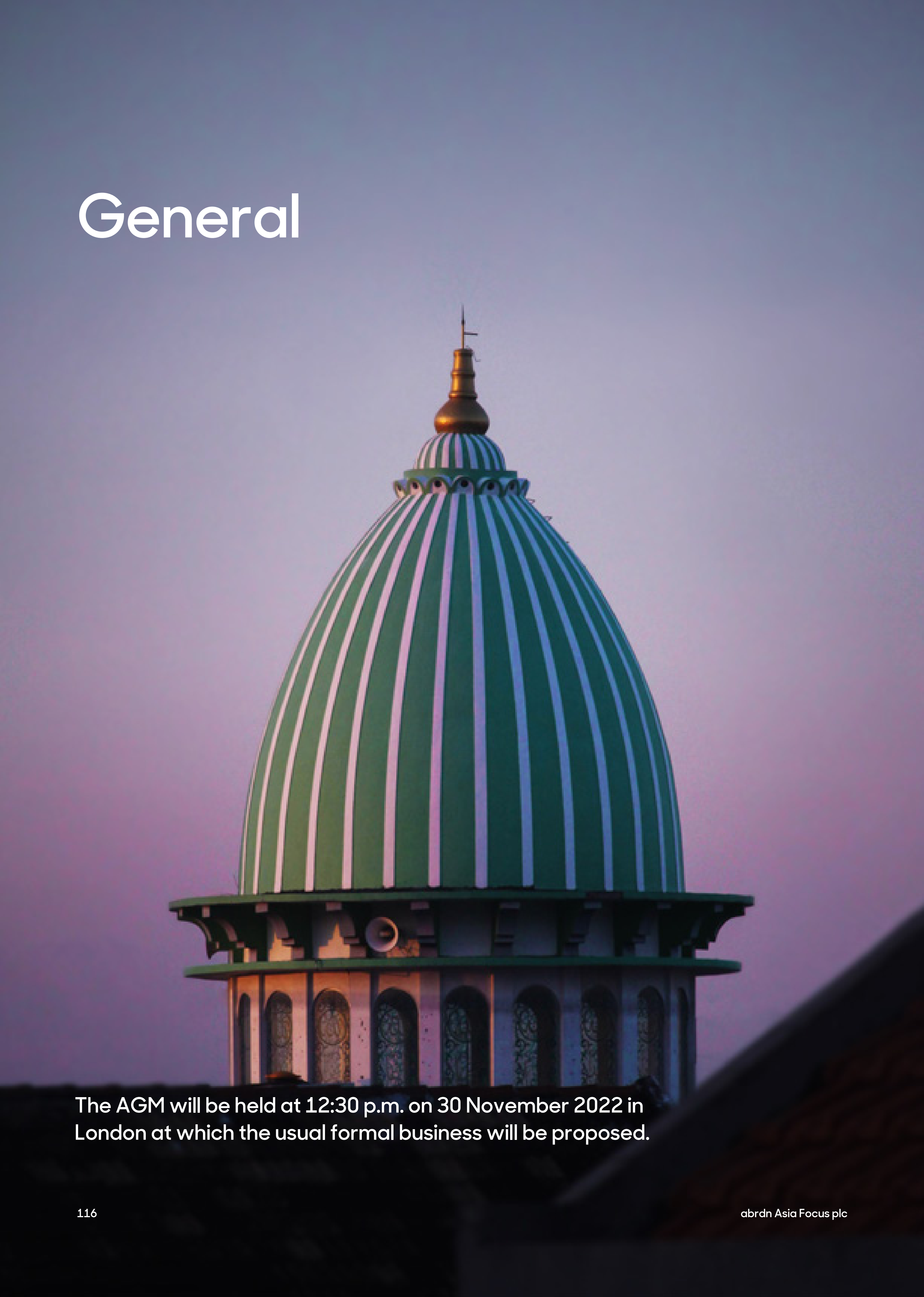
The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross method	Commitment method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 31 July 2022	1.23:1	1.25:1

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There is no right of re-use of collateral or any guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which aFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

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

General



The AGM will be held at 12:30 p.m. on 30 November 2022 in London at which the usual formal business will be proposed.

Notice of Annual General Meeting

Notice is hereby given that the twenty-seventh Annual General Meeting of abrdn Asia Focus plc will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH, at 12:30 p.m. on 30 November 2022 for the following purposes:

To consider and if thought fit, pass the following Resolutions of which Resolutions 1 to 10 will be proposed as Ordinary Resolutions and Resolutions 11 to 13 as Special Resolutions:

Ordinary Business

1. To receive and adopt the Directors' Report and financial statements for the year ended 31 July 2022, together with the auditors' report thereon.

2. To receive and adopt the Directors' Remuneration Report for the year ended 31 July 2022 (other than the Directors' Remuneration Policy).

3. To approve the Company's Dividend Policy to pay four interim dividends per year.

4. To re-elect the Earl of Antrim as a Director.

5. To re-elect Ms C Black as a Director.

6. To re-elect Mr K Shanmuganathan as a Director.

7. To elect Mr L Cooper as a Director.

8. To elect Mr A Finn as a Director.

9. To re-appoint PricewaterhouseCoopers LLP as auditors and to authorise the Directors to determine their remuneration.

Special Business

10. THAT in substitution for all existing powers the Directors of the Company be generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "Act"), to allot shares in the Company, and to grant rights ("Relevant Rights") to subscribe for, or to convert any security into, shares in the Company:

    (a) up to an aggregate nominal amount of £2,615,893; and

    (b) up to a further aggregate nominal amount of £2,615,893 in connection with an offer made by means of a negotiable document to (a) all holders of Ordinary shares of 5p each in the capital of the Company ("Ordinary shares") in proportion (as nearly as may be) to the respective numbers of such Ordinary shares held by them and (b) to holders of other equity securities required by the rights of those securities (but subject to such exclusions, limits or restrictions or other arrangements as the Directors of the Company may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever); such authorisation to expire at the conclusion of the next Annual General Meeting of the Company to be held in 2023 unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may at any time before the expiry of this authorisation make an offer or enter into an agreement which would or might require shares to be allotted or relevant rights to be granted after the expiry of this authorisation and the Directors of the Company may allot shares or grant relevant rights in pursuance of any such offer or agreement as if the authorisation conferred hereby had not expired.

11. THAT subject to the passing of Resolution numbered 10 above and in substitution for all existing powers the Directors be empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 (1), (2) and (3) of the Act) either pursuant to the authorisation under Section 551 of the Act as conferred by Resolution 10 above or by way of a sale of treasury shares, in each case for cash as if Section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to:

i. The allotment of equity securities (otherwise than pursuant to sub-paragraph (b) below) up to an aggregate nominal amount of £784,768 which are, or are to be, wholly paid up in cash, at a price representing a premium to the net asset value per share at allotment, as determined by the Directors, and do not exceed up to 10% of the issued share capital (as at the date of the Annual General Meeting convened by this notice); and

ii. the allotment of equity securities in connection with an offer to (a) all holders of Ordinary shares of 5p each in the capital of the Company in proportion (as nearly as may be) to the respective numbers of Ordinary shares held by them and (b) to holders of other equity securities as required by the rights of those securities (but subject in either case to such exclusions limits or restrictions or other arrangements as the Directors may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of, or requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever) at a price representing a premium to the net asset value per share at allotment, as determined by the Directors; and

such power shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2023, but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may do so as if such expiry had not occurred.

12. THAT, the Company be generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 5p each in the capital of the Company ("Ordinary shares"), and to cancel or hold in treasury such shares provided that:

i. the maximum number of Ordinary shares hereby authorised to be purchased is 14.99% of the Ordinary shares in issue as at the date of the passing of this Resolution 12;

ii. the minimum price which may be paid for an Ordinary share is 5p;

iii. the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall not be more than the higher of (i) an amount equal to 5% above the average of the middle market quotations for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out;

iv. any purchase of shares will be made in the market for cash at prices below the prevailing net asset value per share (as determined by the Directors);

v. the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2023 unless such authority is renewed, revoked or varied prior to such time by the Company in general meeting; and

vi. the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract.

13. THAT a general meeting other than an Annual General Meeting may be called on not less than 14 days' notice.

By order of the Board
Aberdeen Asset Management PLC
Company Secretary
14 October 2022

Registered Office
Bow Bells House, 1 Bread Street, London EC4M 9HH

Notes

i. In accordance with Section 311A of the Companies Act 2006, the contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website asia-focus.co.uk.

ii. As a member, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Meeting. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share. A form of proxy is enclosed.

iii. To be valid, any form of proxy or other instrument of proxy and any power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to the Company's registrars so as to arrive not less than 48 hours before the time fixed for the meeting. The return of a completed form of proxy or other instrument of proxy will not prevent you attending the Meeting and voting in person if you wish to do so.

iv. The right to vote at the meeting is determined by reference to the Company's Register of Members as at 6.30 p.m. on 28 November 2022 or, if this meeting is adjourned, at 6.30 p.m. on the day two business days prior to the adjourned meeting. Changes to the entries on that Register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.

v. As a member you have the right to put questions at the meeting relating to the business being dealt with at the meeting.

vi. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

vii. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual which can be viewed at euroclear.com. The message must be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

viii. CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

ix. You may also submit your proxy votes via the internet. You can do so by visiting www.sharevote.co.uk. You will require your voting ID, task ID and Shareholder Reference Number. This information can be found under your name on your form of proxy. Alternatively, shareholders who have already registered with Equiniti Registrars' online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk using their user ID and password. Once logged in, click "view" on the "My Investments" page. Click on the link to vote and follow the on screen instructions.

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

Notice of Annual General Meeting

Continued

xi. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his or her proxy(ies) will need to ensure that both he or she and such proxy(ies) comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.

xii. The statement of the rights of members in relation to the appointment of proxies in paragraphs (ii) and (iii) above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.

xiii. As at close of business on 14 October 2022 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 156,953,631 Ordinary shares of 5 pence each and there were a further 51,744,590 shares held in treasury. Each Ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at close of business on 14 October 2022 is 156,953,631. Treasury shares represent 24.8% of the total issued Ordinary share capital (inclusive of treasury shares).

xiv. No Director has a service contract with the Company, however, copies of Directors' letters of appointment will be available for inspection for at least 15 minutes prior to the meeting and during the meeting.

xv. Under Section 338 of the Companies Act 2006, members may require the Company to give, to members of the Company entitled to receive this Notice of Meeting, notice of a resolution which may properly be moved and is intended to be moved at the Meeting. Under Section 338A of that Act, members may request the Company to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may be properly included in the business.

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

xvii. Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.

xviii. You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

xix. There are special arrangements for holders of shares through the abrdn Investment Plan for Children, abrdn Share Plan and abrdn Investment Trusts ISA ('Plan Participants'). These are explained in the separate 'Letter of Direction' which Plan Participants will have received with this Annual Reports.

xx. The Board expects the 2022 AGM to be an in person meeting. However, given the evolving risks posed by Covid-19, should circumstances change significantly before the date of the AGM, the Company will update shareholders of any changes to the arrangements via the Company's website **asia-focus.co.uk**.

Glossary of Terms and Definitions

abrdn Asia or the Investment Manager
abrdn Asia Limited (previously known as Aberdeen Standard Investments (Asia) Limited) is a wholly owned subsidiary of abrdn plc (previously known as Standard Life Aberdeen plc) and acts as the Company's investment manager

abrdn plc
abrdn plc (previously known as Standard Life Aberdeen plc) was formed by the merger of Aberdeen Asset Management PLC and Standard Life plc on 14 August 2017

abrdn Group
the abrdn group of companies

aFML or Manager
abrdn Fund Managers Limited

AIC
Association of Investment Companies

AIFM
the alternative investment fund manager, being aFML

AIFMD
The Alternative Investment Fund Managers Directive

Asset Cover
The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security

CULS 2025
The £36.66 million nominal of 2.25% Convertible Unsecured Loan Stock 2025 issued on 29 May 2018

CULS Conversion Date
The CULS is convertible at any time during the periods of 28 days ending on 30 November and 31 May in each year from November 2018 to May 2025 (each such period and any other period during which Conversion Rights may be exercised being a "Conversion Period") conversions requests are to be received by 5.00 p.m. on the last day of the relevant Conversion Period (each such last day being a "Conversion Date" and the Conversion Date falling on 31 May 2025 or Final Repayment Date being the "Final Conversion Date")

CULS Conversion Price
The CULS is convertible semi-annually on the Conversion Date on the basis of 293.0p nominal of CULS for one Ordinary share of 5p (prior to the five for one share split on 4 February 2022 the conversion was based upon 1465.0p of nominal). The Conversion Price was originally calculated based upon a 20% premium to the unaudited NAV per Ordinary share of 25p (including income) on 18 May 2018, rounded down to the nearest 5.0p

Dilution
Dilution is the potential impact of the conversion of CULS to Ordinary shares on the net asset value and share price of the Company

Discount
The amount by which the market price per share of an investment trust is lower than the net asset value per share.

The discount is normally expressed as a percentage of the NAV per share

Dividend Cover
Earnings per share divided by dividends per share expressed as a ratio

Dividend Yield
The annual dividend expressed as a percentage of the share price

FRC
Financial Reporting Council

Leverage
For the purposes of the Alternative Investment Fund Managers (AIFM) Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other

Glossary of Terms and Definitions

Continued

Net Asset Value or NAV
The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share

Net Gearing
Net gearing is calculated by dividing total assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage

Ongoing Charges
Ratio of expenses as percentage of average daily shareholders' funds calculated as per the industry standard

PIDD
The pre-investment disclosure document made available by the AIFM in relation to the Company

Premium
The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share

Prior Charges
The name given to all borrowings including CULS, long and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment

Total Assets
Total assets less current liabilities (before deducting prior charges as defined above)

Total Return
Total return involves reinvesting the net dividend in the month that the share price goes ex-dividend. The NAV total return (including diluted) involves investing the same net dividend in the NAV of the trust on the date to which that dividend was earned

Your Company's Share Capital History

Issued Share Capital at 31 July 2022

156,953,631
Ordinary shares of 5p (excluding treasury shares)

51,744,590
Ordinary shares held in treasury

Capital History

19 October 1995

35,000,000 Ordinary shares of 25p each placed at 100p with 7,000,000 Warrants attaching, each conferring the right to subscribe for one Ordinary share of 25p at 100p

Year ended 31 July 2010

502,069 shares purchased for treasury at prices ranging from 296.7p to 455.0p and 442,698 Ordinary shares issued following the exercise of Warrants

Year ended 31 July 2011

3,823,595 shares issued following the final exercise of Warrants

18 May 2012

£35 million nominal of Convertible Unsecured Loan Stock 2019 ("CULS") issued at 100p per unit

Year ended 31 July 2013

23,372 new shares issued following the conversion of 194,182 units of CULS in December 2012 and 182,787 new Ordinary shares issued following the conversion of 1,517,404 units of CULS in May 2013

Year ended 31 July 2013

2,605,000 shares issued for cash and sold from treasury at a premium to NAV

Year ended 31 July 2014

300,000 shares issued for cash at a premium to NAV; 23,228 new Ordinary shares issued following the conversion of 192,896 units of CULS in December 2013; and, 2,210 new Ordinary shares issued following the conversion of 18,397 units of CULS in May 2014

Year ended 31 July 2015

142,000 shares purchased for treasury at a discount to NAV; 3,510 new Ordinary shares issued following conversion of 29,188 units of CULS in December 2014; 573 new Ordinary shares issued following conversion of 4,790 units of CULS in June 2015

Year ended 31 July 2016

2,059,834 shares purchased for treasury at a discount to NAV; 137 new Ordinary shares issued following conversion of 1,137 units of CULS in December 2015; 141 new Ordinary shares issued following conversion of 1,176 units of CULS in June 2016

Year ended 31 July 2017

1,091,750 shares purchased for treasury at a discount to NAV; 2,595 new Ordinary shares issued following conversion of 21,594 units of CULS in December 2016; 3,546 new Ordinary shares issued following conversion of 29,473 units of CULS in June 2017

Year ended 31 July 2018

2,137,138 shares purchased for treasury at a discount to NAV; 323,835 new Ordinary shares issued following conversion of 2,687,937 units of CULS in December 2017. £37 million nominal of 2.25% Convertible Unsecured Loan Stock 2025 issued at 100p per unit and 2019 CULS redeemed and/or converted into Ordinary shares on 29 May 2018

Year ended 31 July 2019

1,302,650 shares purchased for treasury at a discount to NAV; 2,348 new Ordinary shares issued following conversion of 34,482 units of CULS in December 2018; 1,379 new Ordinary shares issued following conversion of 20,286 units of CULS in June 2019.

Year ended 31 July 2020

1,484,256 shares purchased for treasury at a discount to NAV; 16,302 new Ordinary shares issued following conversion of 238,951 units of CULS in December 2019; 814 new Ordinary shares issued following conversion of 12,050 units of CULS in June 2020.

Year ended 31 July 2021

1,055,000 shares purchased for treasury at a discount to NAV; 1,110 new Ordinary shares issued following conversion of 16,359 units of CULS in December 2020; 1,365 new Ordinary shares issued following conversion of 20,117 units of CULS in June 2021.

Year ended 31 July 2022

935 new shares issued following conversion of 13,764 units of CULS in December 2021; on 4 February 2022 a five for one Share Split was implemented and the CUL; 536 new Ordinary shares issued following conversion of 1,579 units of CULS in June 2022

Corporate Information

Directors
Nigel Cayzer, Chairman
Charlotte Black
Lindsay Cooper (*appointed 15 June 2022*)
The Earl of Antrim (*previously Viscount Dunluce*)
Alex Finn (*appointed 13 July 2022*)
Krishna Shanmuganathan

Registered in England as an Investment Company
Registration Number 03106339

Manager
abrdn Asia Limited
21 Church Street
#01-01 Capital Square Two
Singapore 049480

Alternative Investment Fund Manager*
abrdn Fund Managers Limited
Authorised and regulated by the Financial Conduct Authority

Bow Bells House
1 Bread Street
London EC4M 9HH
(* appointed as required by EU Directive 2011/61/EU)

Secretaries and Registered Office
Aberdeen Asset Management PLC
Bow Bells House
1 Bread Street
London EC4M 9HH

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

Telephone enquiries **0371 384 2416**
Overseas helpline number: **+44 (0)121 415 7047**
Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday (excluding bank holidays)
shareview.co.uk

Stockbrokers
Panmure Gordon & Co
1 New Change
London EC4M 9AF

Solicitors
Dentons UK and Middle East LLP
Quartermile One
15 Lauriston Place
Edinburgh EH3 9EP

Independent Auditor
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

CULS Trustee
The Law Debenture Corporation p.l.c.
Fifth Floor
100 Wood Street
London EC2V 7EX

Depositary
BNP Paribas Trust Corporation UK Limited
10 Harewood Avenue
London NW1 6AA

Website
asia-focus.co.uk

Email
asia.focus@abrdn.com

Foreign Account Tax Compliance Act ("FATCA") IRS Registration Number ("GIIN"):
5ITCFT.99999.SL.826

Legal Entity Identifier
5493000FBZP1J92OQY70

Important Information

The Company

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

Investment Objective

From 27 January 2022:

The Company aims to maximise total return to shareholders over the long term from a portfolio made up predominantly of quoted smaller companies in the economies of Asia excluding Japan. (On 27 January 2022 shareholders approved an amended investment objective.)

Up to 27 January 2022:

The Company aimed to maximise total return to shareholders over the long term from a portfolio made up predominantly of smaller quoted companies (with a market capitalisation of up to approximately US$1.5 billion at the time of investment) in the economies of Asia and Australasia, excluding Japan, by following the investment policy. When it was in shareholders' interests to do so, the Company reserved the right to participate in the rights issue of an investee company notwithstanding that the market capitalisation of that investee may exceed the stated ceiling.

Five-Year Performance Linked Tender

On 27 January 2022 shareholders approved the introduction of a performance-linked tender offer, which provides that, in the event of underperformance of the NAV per Share versus the MSCI AC Asia ex Japan Small Cap Index over a five-year period commencing 1 August 2021, Shareholders will be offered the opportunity to realise a proportion of their holding for cash at a level close to NAV less costs of the tender offer. The tender offer would be capped at a maximum of 25% of the issued share capital of the Company at that time.

Comparative Index

From 1 August 2021 the Manager has utilised the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) as well as peer group comparisons for Board reporting. For periods prior to 1 August 2021, a composite index is used comprising the MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted) up to 31 July 2021 and the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) thereafter. It is likely that performance will diverge, possibly quite dramatically in either direction, from the comparative index. The Manager seeks to minimise risk by using in-depth research and does not see divergence from an index as risk.

Investment Manager and Alternate Investment Fund Manager

The Company's Alternative Investment Fund Manager, appointed as required by EU Directive 2011/61/EU, is abrdn Fund Managers Limited ("aFML") which is authorised and regulated by the Financial Conduct Authority. Day to day management of the portfolio is delegated to abrdn Asia Limited ("abrdn Asia", the "Manager" or the "Investment Manager"). aFML and abrdn Asia are wholly owned subsidiaries of abrdn plc (previously known as Standard Life Aberdeen plc).