abrdn Asia Focus plc

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

Annual Report 31 July 2024

asia-focus.co.uk

"Over the long term, your Company's Net Asset Value has averaged annual growth of 11.9% since inception, an outstanding level of sustained performance, and reflective of your Manager's ability to invest in hand-picked smaller companies in Asia that are difficult to access for UK investors"

Krishna Shanmuganathan,
Chair

"We aim to find exciting smaller companies that will benefit from Asia's expanding middle class, with our on-the-ground team making the most of inefficiencies in pricing under-researched smaller companies across the region"

Gabriel Sacks, Flavia Cheong and Xin-Yao Ng
abrdn Asia Limited

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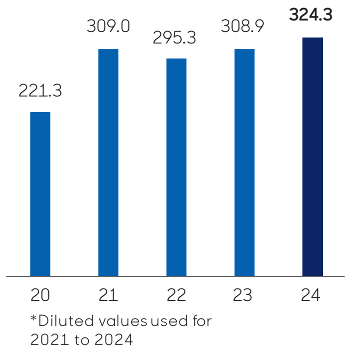
Performance Highlights

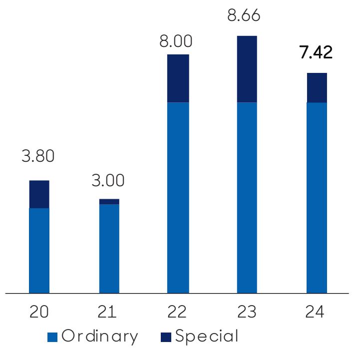
Measure	2024	2023
Net asset value total return (diluted)[AB]	+7.9%	+7.6%
Net asset value per share (diluted)	324.3p	308.9p
Net asset value total return since inception (diluted)[AB]	+2472.6%	+2283.6%
Annualised Net asset value total return since inception (diluted)[AB]	+11.9%	+12.1%
Share price total return[A]	+8.8%	+7.3%
Share price	278.0p	264.0p
MSCI AC Asia ex Japan Small Cap Index total return[C]	+14.1%	+8.0%
Discount to net asset value[AB]	14.3%	14.5%
Ongoing charges ratio[A]	0.89%	0.92%
Dividends per share[D]	7.42p	8.66p

[A] Alternative Performance Measure (see pages 99 to 100).
[B] Presented on a diluted basis as the Convertible Unsecured Loan Stock ("CULS") are "in the money" (2023 – same).
[C] Currency adjusted, capital gains basis.
[D] Dividends include special dividends of 1.00p for 2024 (2023 – 2.25p).

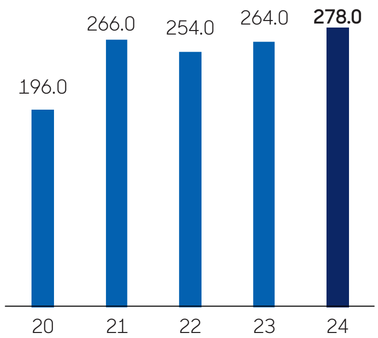
Net asset value per share
At 31 July – pence



Total dividends per share
At 31 July – pence



Mid-market price per share
At 31 July – pence



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"The Board has decided to hold another interactive Online Shareholder Presentation which will be held at 11:00 a.m. on Monday 18 November 2024. During the presentation, shareholders will receive updates from myself and the Manager and there will be the opportunity for an interactive question and answer session where we will endeavour to answer as many questions as time allows"

Krishna Shanmuganathan,
Chair

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.

Financial Calendar, Dividends and Highlights

Financial year end	**31 July**
Announcement of results for year ended 31 July 2024	**24 October 2024**
Online Shareholder Presentation (see page 10)	**18 November 2024 at 11:00 a.m.**
Annual General Meeting	**6 December 2024**
CULS Conversion Date	**30 November 2024**
Payment date of first interim for 2024/2025 and special dividend for 2023/2024	**20 December 2024**
Payment date of second interim dividend for 2024/2025	**24 March 2025**
Final CULS Conversion Date	**31 May 2025**
Payment date of third interim dividend for 2024/2025	**23 June 2025**
Payment date of fourth interim dividend for 2024/2025	**22 September 2025**

Dividends

	Rate	xd date	Record date	Payment date
First interim 2024	**1.60p**	**23 November 2023**	**24 November 2023**	**20 December 2023**
Second interim 2024	**1.60p**	**22 February 2024**	**23 February 2024**	**21 March 2024**
Third interim 2024	**1.60p**	**23 May 2024**	**24 May 2024**	**21 June 2024**
Fourth interim 2024	**1.62p**	**22 August 2024**	**23 August 2024**	**20 September 2024**
Special 2024	**1.00p**	**21 November 2024**	**22 November 2024**	**20 December 2024**
	7.42p			
First interim 2023	1.60p	24 November 2022	25 November 2022	20 December 2022
Second interim 2023	1.60p	23 February 2023	24 February 2023	21 March 2023
Third interim 2023	1.60p	25 May 2023	26 May 2023	23 June 2023
Fourth interim 2023	1.61p	24 August 2023	25 August 2023	20 September 2023
Special 2023	2.25p	23 November 2023	24 November 2023	20 December 2023
	8.66p			

Financial Highlights

	31/07/2024	31/07/2023	% change
Total assets (see definition on page 119)	**£542,457,000**	£556,466,000	–2.5
Total equity shareholders' funds (net assets)	**£502,260,000**	£485,784,000	+3.4
Net asset value per share (basic)	**326.94p**	310.49p	+5.3
Net asset value per share (diluted)	**324.26p**	308.93p	+5.0
Share price (mid market)	**278.00p**	264.00p	+5.3
Market capitalisation	**£427,082,000**	£413,049,000	+3.4
Discount to net asset value (basic)[A]	**15.0%**	15.0%	
Discount to net asset value (diluted)[A]	**14.3%**	14.5%	
MSCI AC Asia ex Japan Small Cap Index (currency adjusted, capital gains basis)	**2,210.14**	1,982.01	+11.5
Net gearing[A]	**10.4%**	12.1%	
Dividends and earnings			
Total return per share (basic)[B]	**24.12p**	22.43p	
Revenue return per share (basic)	**8.59p**	10.29p	–16.5
Ordinary dividends per share[C]	**6.42p**	6.41p	+0.2
Special dividend per share[C]	**1.00p**	2.25p	–55.6
Dividend cover[A]	**1.16**	1.19	
Revenue reserves[D]	**£14,411,000**	£12,538,000	+14.9
Revenue reserves per share[D]	**9.38p**	8.01p	+17.1
Operating costs			
Ongoing charges ratio[A]	**0.89%**	0.92%	

[A] Considered to be an Alternative Performance Measure. See pages 99 and 100.

[B] Measures the total earnings for the year divided by the weighted average number of Ordinary shares in issue (see note 9).

[C] The figures for dividends per share reflect the dividends for the year in which they were earned.

[D] After payment of the fourth interim dividend of 1.62p (2023 – 1.61p) per share amounting to £2,488,000 (2023 – £2,515,000) and the special dividend of 1.00p (2023 – 2.25p) per share amounting to £1,513,000 (2023 – £3,498,000).

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 are admitted to trading on the main market of London Stock Exchange plc

Chair's Statement

Overview

Following the market trends referenced in my half-year report, Asian small caps continued to show their resilience and outpace their larger peers over the full year despite turbulent times geopolitically. The MSCI AC Asia ex Japan Small Cap Index delivered a total return of 14.1% in sterling terms, outperforming the MSCI AC Asia ex Japan Index, which rose by 7.6%.

Across small cap markets in Asia, we saw a sharp divergence in performance. At one end was India (28.1% of portfolio), the best performer by a large margin. A buoyant economy, growth in the corporate sector and substantial foreign capital inflows drove strong gains in the domestic market. There was an element of election jitters as Prime Minister Narendra Modi won a third term in office at the polls but had to settle for a coalition government with his allies. This proved short-lived, however, with investors quickly pushing the market to new all-time highs within days.

Another solid performer was Taiwan (14.4% of portfolio), as the technology-heavy market benefited from expectations of a trough in the semiconductor cycle and the rapid advance of artificial intelligence (AI) and related applications.

At the other end, however, was China (9.1% of portfolio), with a sharp fall in domestic markets. The country's stalled economy and property woes weighed on investor sentiment, although the Chinese government stepped in and increased support with measures to bolster financial markets and the economy. There are also concerns over potential US tariffs and sanctions following the outcome of November's US presidential election.

Investment Performance

Against this backdrop, on a total return basis, your Company's net asset value (NAV) rose 7.9% in sterling terms for the 12 months ended 31 July 2024, while the share price rose 8.8%. Over the long term, your Company's NAV has averaged annual growth of 11.9% since inception, an outstanding level of sustained performance, and reflective of your Manager's ability to invest in hand-picked smaller companies in Asia that are difficult to access for UK investors.

Despite the relative underperformance, absolute returns have been reasonable relative to a broader peer group of Asian funds, and your Manager maintains a preference for more diversified exposure to the region versus the small cap index which has become increasingly concentrated across fewer markets. Stock selection has been largely positive, particularly in markets like India, where your Company's holdings across a broad swathe of sectors have benefited from the healthy economic backdrop and good management, such as real estate developer Prestige Estates, energy holding Aegis Logistics and healthcare group Vijaya Diagnostic Centre.

Your Company's off-benchmark exposure to Vietnam has also added value, primarily driven by FPT Corp, a diversified technology group with a fast-growing software outsourcing business and led by an entrepreneurial management team. More broadly, Vietnam is rising up fast as an alternative supply chain option amid geopolitical uncertainty, with foreign direct investments (FDI) pouring into higher technology sectors, especially automotive and electronics. Less positively, the Company's lack of exposure to certain sub-segments of the Taiwanese technology and utilities space cost performance in relative terms, as did weaker performance from a few of the holdings in China and Singapore. You can read more about this in the Investment Manager's Review on page 12.

Dividend and Reserves

The Board recognises the importance of your Company's dividend income for many shareholders, and the income generation of the portfolio has been robust and supportive of the new enhanced and progressive dividend policy approved by shareholders in 2022. Your Company has maintained or raised the Ordinary dividend every year since 1998. Indeed, your Company anticipates joining the AIC's next generation of dividend heroes next year.

In total, four interim dividends have been declared in respect of the financial year ended 31 July 2024 amounting to 6.42p per Ordinary 5p share (2023: 6.41p). In addition, continuing strength of dividend generation from the portfolio has allowed the Board to declare a special interim dividend of 1.0p (2023: 2.25p) in respect of the year ended 31 July 2024 which will be paid on 20 December 2024 to shareholders on the register on the record date of 22 November 2024 (ex-dividend date 21 November 2024). This special dividend brings the total distribution for the year to 7.42p (2023: 8.66p) representing a yield of 2.7% based upon the share price at the time of writing of 280.0p.

The Board's strategy 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. Following payment of the four interims for the year to 31 July 2024, there remains well over a year's worth of revenue reserve to cover the Ordinary dividend.

Share Capital Management and Gearing

In line with the general trend across the investment trust sector, the Company's shares have continued to trade at a stubbornly wide discount to NAV. The Company's share price to NAV discount was flat over the year, opening and closing at 15%. During the period the shares have traded at an average discount of 16.1%, which remains higher than the long-term average. I would note that while the discount is wide, some of your Company's peers are trading at similar discount levels, likely reflecting a more cautious stance by UK investors towards Asian small cap equities.

Your Board is very mindful of the negative impact of large discounts to NAV to shareholders but also share price volatility. The Board increased the pace of buybacks during the year, purchasing 2,850,000 shares (2023: 500,000) in total, 1.8% of the Company's issued shares (excluding Treasury shares). A further 2,372,500 shares have been purchased since the end of the financial year to date.

We will continue to oversee the judicious use of share buy backs. The shares bought back in this reporting period were at an average discount to NAV of 15.5%, supporting the twin aims of reducing the volatility of any discount whilst modestly enhancing the NAV for continuing shareholders.

The Company's net gearing at 31 July 2024 was 10.4% (2023: 12.1%) with the debt provided by the £30m Loan Notes and the £36.6 million Convertible Unsecured Loan Stock ("CULS"), redeemable in 2025. As at 22 October 2024, the latest practicable date, the net gearing stood at 11.9%. As we approach the maturity of the CULS, scheduled for 31 May 2025 the Board, in conjunction with the Manager and advisers, is reviewing the current level of gearing, alongside opportunities for repaying or converting the CULS, and will update shareholders closer to the time. In the event that suitable opportunities are not available the Board expects to repay the CULS using the proceeds of sales across the portfolio.

Promoting the Company

Your Board and Investment Manager have made significant efforts to enhance the marketing of your Company by highlighting the depth of abrdn's resources on the ground in Asia. To learn more about the management team's travels and the underlying portfolio, visit **abrdn.com/AAS**. Here, existing and potential shareholders can sign up for regular email updates. By following the dedicated abrdn Asia Focus page on LinkedIn, you can stay informed about your investments. You are also invited to join us at the AGM to hear from the Investment Managers and the Board. Additionally, we hold a pre-AGM webinar (see below) with the Chair and Investment Managers, including a Q&A session, which is open to all. This session is also recorded and available to watch on demand afterwards.

Board Evolution

In my half-year statement, I had welcomed two new Board members, Lucy Macdonald who replaced Randal Dunluce, the Earl of Antrim who stepped down from the Board at the last AGM in December 2023, and Davina Curling who joined with effect from 1 March 2024 as Senior Independent Director.

Lucy has enjoyed a successful career in asset management and was, until 2020, managing director, CIO global equities at Allianz Global Investors. Lucy brings significant investment experience to the Board. She is an experienced board director and is currently a member of the investment committee of the RNLI, a non-executive council member of the Duchy of Lancaster and senior independent director of JPMorgan Global Emerging Markets Income Trust Plc. Meanwhile, Davina has also enjoyed a successful career in asset management and was formerly managing director, head of European equities at Russell Investments. More recently Davina has consulted on projects for small companies and start-ups in the financial, manufacturing and retail sectors. Davina is a non-executive director of Henderson Opportunities Trust plc and INVESCO Global Equity Income Trust plc and is a member of the investment committee of St James's Place Wealth management.

Both Lucy and Davina bring considerable investment management experience to the Board, and I am glad to report that both have settled in well and are already contributing their insights to the Board.

Your Investment Manager

The Board is encouraged by abrdn Group's commitment to Asian equities. It hasn't been the easiest environment for active managers over the past couple of years, but your Manager continues to invest in its research platform, including quantitative tools that can support fund managers' fundamental research efforts. The Asian equities team remains one of the most well-resourced in the industry with 35 analysts and portfolio managers spread across the region. Over the past year, there has been a slight evolution of the team's structure with a cleaner delineation of roles between analysts and fund managers. The idea is to streamline responsibilities and increase focus, which should be welcome news for shareholders as Managers Gabriel Sacks and Xin-Yao Ng's time will be increasingly aligned to your portfolio. In addition, the team is bulking up its analyst pool with the hiring of a senior tech analyst and an Indian small and mid-cap analyst, with the purpose of improving idea generation and supporting the role of fund managers.

Value for Money

We strive to keep the cost of investing low for shareholders to retain as much of the return on their investment as possible. Ongoing charges for the year were 0.89% (2023: 0.92%), primarily made up of the management fee. Your Company is one of the very few to have linked the management fee to the market capitalisation rather than the NAV of the Company, further aligning the Investment Manager with you, the Shareholders.

Your Board continues to keep all costs under review but believes that, given the breadth and depth of on-the-ground research by your Manager, the very selective stock picking (your Company's portfolio has an active share of 96.7 at year end) and the long-term outperformance, the current fees constitute value for money.

I would remind shareholders that in 2022 the Company introduced a performance-linked conditional tender offer for up to 25% of the issued capital. Shareholders will be offered the opportunity to realise a proportion of their holding for cash at a level close to NAV less costs in the event the Company's NAV total return underperforms the benchmark over the five year period measured from 1 August 2021. The latest performance data covering the period since the introduction of the tender offer to 30 September 2024 shows a NAV total return of 21.7% versus the benchmark which has returned 19.6%.

Responsible Investing

One of the key benefits of having an extensive on-the-ground team in Asia is your Manager's ability to actively engage with companies on environmental, social and governance matters. Whilst the Company is not a sustainable fund, it is positive to note that the portfolio's MSCI ESG rating of 'BBB' is in line with that of the Benchmark and the Economic Emission Intensity is only 25.6% that of the Benchmark. Further details on responsible investing are provided on pages 105 to 108.

Shareholder Engagement and Annual General Meeting

The Company's Annual General Meeting is scheduled for 11:00 a.m. on 6 December 2024. In line with best practice the voting on all business at the AGM will be conducted by way of a poll which will be administered on the day by the Company's registrar. The AGM will be preceded by a short presentation from the management team and following the formal business there will be a light 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 November 2023, 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 Monday 18 November 2024. During the presentation, shareholders will receive updates from myself and the Manager and there will be the opportunity for an interactive question and answer session where we will endeavour to answer as many questions as time allows. 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: **asia-focus.co.uk**.

Outlook

Despite the ongoing global geopolitical and macroeconomic uncertainty, Asian small cap companies remain replete with opportunities for discovering high quality companies that are often overlooked.

Economic, political, and monetary policy news in the US will be significant. Expectations of US rate cuts are rising, which typically lead to US dollar weakness. This supports currencies and equities in Asia as the US-Asia yield differential narrows. In addition, lower US interest rates generally result in lower borrowing costs globally. In Asia, smaller companies have historically benefited more than larger ones from such a rate-cutting cycle as risk appetite returns to equities and the region, while companies have more room to borrow to expand and invest in their businesses. These investments help support corporate earnings and share prices.

The two largest economies in Asia will remain in the spotlight due to their diverging fortunes. China's economy is under pressure with key pain points in consumer spending and the property sector. However, the central government has adopted a calibrated approach to avoid the problems of excess liquidity but still has considerable fiscal power to support growth. India, in contrast, is well-positioned for continued growth with a positive macro outlook, buoyant property sector, strong urban consumption and a robust infrastructure investment cycle. This in turn is reviving private capital expenditure. These factors should support economic and earnings growth over the long term. As far as abrdn Asia Focus is concerned, your Company's portfolio is geared towards a broader set of markets across the region, with roughly 85% of the portfolio invested outside of China and Hong Kong in companies that exhibit strong quality characteristics and healthy levels of growth.

At this juncture, it is worth reiterating why I believe that small caps continue to offer immense potential and unique opportunities to capitalise on the dynamic and rapidly evolving economies of Asia. Asian small caps provide very different exposures compared to the large caps in the region, both in terms of markets and sectors, together with being companies that are inherently more agile and exhibiting faster growth due to the early stage of their corporate lifecycle. These smaller companies operate in diverse industries, especially in niche areas like technology and healthcare, and are often at the forefront of innovation. Most importantly, they can be more direct beneficiaries of Asia's structural growth and long-term trends. The region boasts some of the world's fastest-growing economies and a rising middle class. Asia is a key hub for semiconductor supply chains, especially with booming AI demand, and is heavily investing in the green transition. Supply chains continue to move from China to other low-cost Asian markets such as Indonesia, India and Vietnam. This diversification is expected to boost growth through increased foreign investments and manufacturing, supporting domestic earnings.

With all of this in mind, I and the Board remain confident in your Manager, who is committed to carefully selecting high-quality smaller companies with sound fundamentals that can capitalise on the growth potential of this dynamic region and achieve sustainable long-term returns. The small cap universe is fertile ground for active stock picking because it is a less efficient market that is often poorly researched. Here, your Manager's extensive on-the-ground presence and long track record investing in Asia will enable it to make the most of inefficiencies in pricing smaller companies and unearthing hidden gems across the rich and diverse small cap universe. Investment trusts such as abrdn Asia Focus offer UK investors access to businesses that are otherwise inaccessible via mainstream funds and passive investments.

I remain confident that Asian smaller companies will continue to thrive and flourish over the longer term and that your Company continues to be well-positioned to unlock this potential and, with it, very welcome sustainable long-term returns.

Krishna Shanmuganathan
Chair
23 October 2024

Investment Managers' Review

Performance Review

Over the 12-month period to 31 July 2024 it has been a tale of two halves for Asian small caps as they traded within a narrow range in the first six months before gathering pace to finish the year on a strong note. The MSCI AC Asia Ex Japan Small Cap Index (the "benchmark") returned 14.1% in sterling terms over the period whilst your Company's net asset value ("NAV") and share price, both in total return terms, increased by 7.9% and 8.8%, respectively.

As your Chair has highlighted, various key macroeconomic and political themes influenced investor sentiment and market movements, such as China's slowdown, global recession concerns, US monetary policy and geopolitics, including the conflict in the Middle East.

Through the uncertainty and volatility witnessed, your Company's portfolio posted positive absolute returns, a testament to the quality and resilience of the underlying holdings. The initial months proved challenging, due to unfavourable country allocation effects, but performance saw a significant improvement in the second half, led primarily by strong stock selection in India.

Looking at the key drivers of performance, we would naturally highlight India, where the small cap market was exceptionally buoyant, rising by 50% over the year. This market strength came at a time when the stars appeared to have aligned for the country. GDP growth has been averaging 6-7% annually. The government's focus on structural reforms, particularly in infrastructure and the supply side of the economy, has boosted investor and corporate confidence. Also drawing in capital investment flows was the inclusion of Indian government bonds in JP Morgan's emerging market indices in June 2024.

Political stability counts, too. While the result of the general election in India came as a surprise to many, Prime Minister Narendra Modi secured a third term in office, this time with a coalition government. The new government's first budget presented in July showed that fiscal prudence was high on the agenda, with a continued focus on infrastructure development, albeit with some moderation in the pace of growth. There also appeared to be efforts to plug gaps in the economy around consumption, rural demand and employment – all of which was generally well received. Such a supportive economic and policy environment was reflected in strength at the corporate level, with solid earnings results especially in sectors like power and industrials. This generally upbeat mood has been supported by a domestic investor boom, with locals increasingly channelling their savings into the equity market.

We remain positive on India, as we have been since the inception of the Company almost 30 years ago, with the country representing a sizeable 27% of the portfolio at year-end, our highest country weighting. The small-cap benchmark, however, has an even higher allocation to India at 34%. While our relatively lighter exposure to India proved costly, this was more than compensated for by the strong performance of our holdings across a range of sectors. Notably, six of the portfolio's top ten stock performers this year came from India. The best performer was **Prestige Estates**, which we believe is well positioned as one of the few quality, listed operators in the Indian property space. It has benefited from the ongoing upcycle in residential property. In the energy sector, **Aegis Logistics** continued to benefit from India's shift away from fossil fuels towards cleaner energy, with demand for liquefied petroleum gas bolstered by its cost competitiveness relative to other gas alternatives. Elsewhere, in the healthcare sector, **Vijaya Diagnostic Centre** reported consistently good results, with organic growth that continued to be well ahead of industry peers. Organic growth was a result of a combination of existing centres continuing to grow as well as from new centres that were opened over the last two years.

The other key country to highlight is Taiwan, a market that is well represented in the small cap index. With global equity investors fixated on Nvidia and the rise of artificial intelligence (AI), this technology-heavy market did well. Indeed, Taiwanese corporates have benefited from both a cyclical upturn in semiconductor pricing and strong incremental demand for advanced chips. Throughout this, we have been bullish on technology, and the semiconductor sector specifically, although we have been highly selective, focusing our interest on businesses that we feel are true leaders in their field with clear and defensible business moats. As a result, we have averaged a significantly lower allocation to Taiwan over the year compared to the small-cap benchmark, which weighed on relative performance. In addition, several of our stocks lagged the benchmark's rise despite still posting reasonable returns. Despite our underweight position, and the recent sell-off in technology stocks that we have witnessed since the end of the Company's fiscal year-end, we continue to be confident in the prospects for high-quality technology and semiconductor stocks in the region. As evidence of this, we invested in **Chroma Ate** during the year, a company that is one of the top test equipment businesses globally, specialising in power testing across a range of industries, but also increasingly involved in system-level testing for semiconductors. We expect Chroma to be in a prime position to benefit from the structural growth trend in advanced semiconductor manufacturing.

Elsewhere, we also saw gains from the off-benchmark exposure that the Company has to Vietnam, which was about 7% of the portfolio as of end-July 2024. The country is seeing foreign direct investments pour into higher technology sectors, especially automotive and electronics as some multinational corporations seek to reduce their reliance on China and mitigate geopolitical risks. Here, the software service company, **FPT**, continued to deliver impressive earnings. Despite its share price gains over the year, we believe the company is still trading at an attractive valuation.

In South Korea, our lighter than benchmark exposure and stock picks were positive for performance. The domestic market lagged the region, as weak export demand and disappointing domestic economic growth weighed on capex and corporate earnings. In terms of our holdings, **Korea Shipbuilding & Offshore Engineering** (KSOE), which we had initiated during the year, performed well. We feel it is well placed to benefit from the industry's long-term cycle of vessel newbuilds, due to the need to replace ageing ships and comply with emissions regulation. This offset weakness witnessed in **Park Systems**, a leading manufacturer of atomic force microscopy systems for scientific research, which lagged the broader strength in the technology sector and posted slightly lower than expected results.

In contrast, parts of Southeast Asia weighed on performance. Our overweight to Indonesia was a drag despite good stock selection. The market was weak on the back of a lack of catalysts and soft corporate earnings for the second quarter of 2024. Furthermore, the government's budget plan for 2025 aimed to maintain economic growth above 5%, but the cut in infrastructure spending pulled down infrastructure-linked stocks and sectors, which together with a surprise interest rate increase by the central bank, worsened the overall market sentiment.

Another key detractor was Singapore's **AEM Holdings**, a business that has lots of potential but saw its shares sell off on concerns over a shortfall in inventory, the resignation of its CEO and results that missed market expectations. On the back of these developments, we decided to exit our position to focus on higher conviction technology holdings elsewhere in the region.

Portfolio Activity

We have continued to focus on earnings visibility and cashflow generation to ensure that the portfolio remains fundamentally strong and resilient amid the challenging environment, with very disparate performance across markets and sectors.

In China, for instance, we have shifted our exposure towards more consumer-oriented stocks which we believe have a positive long-term growth outlook despite subdued consumer spending at this point in time. This included introducing **Proya Cosmetics** and **Tongcheng Travel** to the portfolio. Proya Cosmetics, a leading domestic beauty and skincare company, is known for its innovative products and strong market presence. The company is enhancing operational efficiency and marketing efforts, especially on digital platforms like Douyin (TikTok) and Alibaba, and is set to benefit from continued 'localisation' as consumers shift from expensive foreign brands towards more affordable local offerings. Tongcheng Travel, the largest online travel agency in China by monthly active users, offers air, train, and bus tickets, as well as hotel bookings. It has strong backing from Tencent and Trip.com, its largest shareholders, and enjoys strong margins. We believe Tongcheng Travel is well positioned to benefit from increasing domestic travel among Chinese residents in lower-tier cities. To fund these new positions, we exited other mainland holdings with more challenged earnings, such as **Joinn Laboratories** and **Sinoma Science & Technology**. Overall, our China weighting has remained relatively stable compared to the benchmark, with a slight underweight due to our cautious outlook on China.

Investment Managers' Review

Continued

Elsewhere, in India, we have increased our country exposure as a result of strong idea generation from the team and a positive outlook for growth. We participated in the IPO of **Bharti Hexacom**, a subsidiary of Bharti Airtel, as it is a pure domestic player in the Indian telecom sector with operations in Rajasthan and the North-East region. The market is close to a duopoly, with Bharti Hexacom holding a 43.5% market share. These markets have grown faster than the rest of the country over the past five years, and we expect future growth from rising penetration and the 5G transition. We also invested in **JB Chemicals and Pharma**, a top pharmaceutical company in India with a strong contract manufacturing business, attractive financial profile and capable management team. Additionally, we invested in **360 One WAM**, the leading wealth manager for ultra-high net worth individuals in India, which has been growing rapidly due to buoyant capital markets and an acceleration in stake sales by India's entrepreneurial promoters. Management highlights their focus and superior service levels as key competitive advantages, along with a strong technology platform, brand and people.

Meanwhile, we introduced a new holding in Korea that is well placed to ride on the decarbonisation trend in the shipping industry. **Korea Shipbuilding & Offshore Engineering** (KSOE) owns Hyundai Heavy Industry (80%), Samho Heavy Industry (100%), and Hyundai Mipo Dockyard (43%). Together, they form the world's largest shipbuilding company with a 17% global market share. KSOE's prospects are supported by two key pillars. First, the industry is in a long-term cycle of vessel newbuilds due to the need to replace aging ships and comply with emissions regulations, leading to a profit upturn from increased dock use and delivery gains. Second, KSOE is gaining market share in eco-friendly ships due to its strong R&D capabilities. It is a leader in eco-friendly technologies and could play a critical role in the industry's decarbonisation. KSOE is a market leader in LNG-dual fuel engines, focusing on X-DF engines, which lower carbon emissions by reducing heavy-fuel oil usage and are more profitable than fossil fuel engines.

We also added a new consumer holding in the Philippines, a large market with an improving economy as inflation stabilises and global interest rates drop. **Century Pacific Food**, the largest canned food company locally, caters to mass and premium markets across marine, meat, plant-based, and milk segments. The Po family, who are well-regarded, run the company. Century Pacific has a strong brand presence in tuna and is growing in meat and milk. The company benefits from resilient demand in its core categories and a product diversification strategy that should enhance margins over time. It has a good track record of growing new brands and product categories.

We funded the above by reducing smaller and more illiquid positions in which we had lower confidence. These were mostly in Southeast Asia including Singapore (**Bukit Sembawang Estates** and **Yoma Holdings**), Malaysia (**Oriental Holdings** and **Shangri-La Hotels**), Thailand (**Tisco Financial** and **Hana Microelectronics**) and the Philippines, where **Cebu Holdings** finally consummated its merger with **Ayala Land**.

Outlook

Recent volatility across markets reinforces the extent to which macroeconomic, political and policy concerns continue to affect investor sentiment. Technology stocks are among those which have borne the brunt of the volatility, although investor hopes appear to wax and wane based mostly on Nvidia's announcements. Global recession fears persist amid worries over whether the US Federal Reserve can engineer a soft landing for the US economy, while the consumer outlook remains weak in China. Geopolitics simmer in the background, with the upcoming presidential election in the US still deadlocked and tensions in the Middle East escalating.

In such a still-uncertain backdrop, there are some potential tailwinds. In September, the Federal Reserve cut interest rates by 50 basis points, suggesting a turning point in global monetary conditions. With the West leading in policy easing, we are moving into a rate cutting cycle in Asia too, that is likely to boost Asian currencies and allow more room for governments to support economic growth. This will benefit smaller companies because of their more domestic exposure. A lower rate environment also means lower funding costs for smaller companies, allowing them to pursue growth more efficiently.

Looking ahead, Asian smaller companies are forecast to deliver outsized earnings growth of around 41% in 2024, bouncing back strongly from a negative 2023. This growth significantly outpaces their larger counterparts, with large caps expected to see about 19% earnings growth and world equities around 7%. It is noteworthy that small cap companies are not only delivering earnings but are forecast to lead in earnings growth until 2025. Valuations are also on our side, with Asian smaller companies still cheap relative to their US counterparts, trading at a relative discount of about 24% to US small caps.

More broadly, micro, small, and medium-sized enterprises (MSMEs) remain important drivers of growth across developing Asia, accounting for an average 97% of all enterprises, 56% of the workforce, and 28% of a country's economic output. In effect, these companies are the backbone of Asian economies.

As a result, we see much potential in Asian smaller companies, and our portfolio of well-researched Asian small caps offers a unique investing opportunity. The portfolio is concentrated, high-conviction and highly differentiated, with an active share of close to 97%. We bring considerable expertise to the table, given our long track record in Asia with a deep and experienced team of around 35 analysts and portfolio managers. We aim to find exciting smaller companies that will benefit from Asia's expanding middle class, with our on-the-ground team making the most of inefficiencies in pricing under-researched smaller companies across the region.

Gabriel Sacks, Flavia Cheong and Xin-Yao Ng
abrdn Asia Limited
23 October 2024

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

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.

Investment Policy

The Company invests 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.

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.

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. 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 considers ESG as part of the research for each asset class during the investment review process. For the manager, 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.

A detailed description of the investment process and risk controls employed by abrdn Asia is disclosed on pages 103 and 104. A comprehensive analysis of the Company's portfolio is disclosed on pages 28 to 36 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 59 holdings.

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 19, 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 19. 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 outperformance 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 6 December 2024 in London. We encourage shareholders to lodge their vote by proxy on all the resolutions put forward.
Online Shareholder Presentation	In November 2023 the Board held an online shareholder presentation which was attended by over 200 shareholders and prospective investors. Based on the success of this event a further online presentation will be held on Monday 18 November 2024 at 11:00 a.m.
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 updates from the investment management team. Details of financial results, the investment process and Investment can be found at **asia-focus.co.uk**
Investor Relations	The Company subscribes to the Manager's Investor Relations programme (further details are on page 22).
Social Media	Shareholders can access up to date news on the Company and management team by following the dedicated abrdn Asia Focus page on LinkedIn.

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 103 and 104 and further information about the Manager is given on page 102. Shareholders are key stakeholders in the Company – they are looking to the Manager to achieve the investment objective over time and 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. 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 auditor.

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 12 to 15 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.

Directorate During the year the Board concluded its search for two new independent Directors as part of the Board succession plans as explained on page 49.

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	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 page 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.
Dividend	In 2022 the Board introduced a target dividend of 6.4p per share and the aim is to maintain a progressive 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.

Overview of Strategy

Continued

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, through the Audit Committee, 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.

Macroeconomic risks arising from geo political uncertainty such as the ongoing conflicts in Ukraine and the Middle East continue to present a significant risk to world markets. In addition to the risks listed below, the Board is also very conscious of the risks emanating from increased environmental, social and governance challenges. 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.

The Board does not consider that the principal risks and uncertainties identified have changed significantly during the year or since the date of this Annual Report and are not expected to change materially for the current financial year.

Description	Mitigating Action
Shareholder and Stakeholder Risk Risk Unchanged during Year	The Company's strategy and objectives are regularly reviewed to ensure that they remain appropriate and effective. The Board monitors the discount level of the Company's shares and has in place a buyback mechanism whereby the Manager is authorised to buy back shares within certain limits. The macroeconomic and geopolitical challenges continue to cause volatility in equity markets and the Company's share price discount to NAV. The Company buys back shares into treasury seeking to limit volatility. The Broker and Manager communicate with major shareholders regularly to gauge their views on the Company, including discount volatility. There are additional direct meetings undertaken by the Chair and other Directors. The Board monitors shareholder and market reaction to Company news flow. Whilst the Board rates this risk overall as stable, the risks associated with certain constituent parts of this risk, such as Board dependence on the Manager are rising and will be the subject of continued scrutiny.
Investment Risk 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 and concentration/liquidity analysis of the portfolio. abrdn Group provides a team of experienced portfolio managers with detailed knowledge of the Asian markets. The Investment Manager is in attendance at all Board meetings. The Board also monitors the Company's share price relative to the NAV. 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 2024 no unlisted investments were made.

Description	Mitigating Action
	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. Gearing is currently provided at attractive rates, the Board and Manager monitor gearing levels regularly and covenant reports are provided to lenders bi-monthly. The Investment Manager includes responsible investing in its assessment of investee companies together with the impact of climate as part of the investment process. Responsible investment is about active engagement, in the belief that the performance of assets held around the world can be improved over the longer term.
Operational Risk 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 eg accounting. 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 49 and 50. The Manager has documented succession planning in place for key personnel. There is a team approach to portfolio management of the Company and this has been clearly communicated to shareholders
Governance & Regulatory Risk Risk Unchanged during Year	The Board receives assurance from the Manager and Company Secretary and third party service providers on all aspects of regulatory compliance as well as drawing upon the significant experience of individual Directors. Upon appointment Directors receive a detailed induction covering relevant regulatory matters such as Corporate Governance, the Companies Act and Listing Rules and further training is available if required.
Major Events & Geo Political Risk Risk Unchanged 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 legacy pandemic risks as well as investment risks arising from the impact of events such as the Invasion of Ukraine and increased military tension in East Asia on companies in the portfolio and takes the necessary investment decisions. The Manager monitors the potential impact of potential regional conflict and the risk of sanctions being imposed which limit the free flow of trade. In addition the Board has discussed with the Manager options that would be available to reduce the impact of conflict on the portfolio.

Overview of Strategy

Continued

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. At 31 July 2024, there were three male Directors and three female Directors on the Board and the Company is compliant with the diversity and inclusion targets set out in Chapter 6 of the FCA's Listing Rules. Further details are disclosed in the Directors' Report on page 47.

The UK Stewardship Code and Proxy Voting

The Company supports the UK Stewardship Code 2020, and seeks to play its role in supporting good stewardship of the companies in which it invests. Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager.

The Manager is a tier 1 signatory of the UK Stewardship Code 2020 which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long term investment return to shareholders. The Manager's Annual Stewardship Report for 2023 may be found at **abrdn.com**. While delivery of stewardship activities has been delegated to the Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports to the Board on a six monthly basis on stewardship (including voting) issues and additional information may be found on pages 105 to 108.

Global Greenhouse Gas Emissions and Streamlined Energy and Carbon Reporting ("SECR")

All of the Company's activities are outsourced to third parties. The Company therefore 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. For the same reason as set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information. Further information on the Manager's obligatory disclosures under the Taskforce on Climate-related Financial Disclosures ("TCFD") may be found on the Company's website.

Environmental, Community, Social and Human Rights Issues

The Company has no employees and, accordingly, there are no disclosures to be made in respect of employees. In relation to the investment portfolio, the Board has delegated assessment of these issues to the Investment Manager, responsibility and further information may be found on page 105 to 108.

Modern Slavery Act

Due to the nature of its business, being a Company that does not offer goods and services to customers, the Board considers that the Company 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 advisers and service providers in the financial services industry, to be low risk in relation to this matter.

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 provided by the Company's Loan Stock and Loan Notes (including the flexibility afforded by the additional £35m available for drawing under the Loan Note Facility (uncommitted and subject to lender credit committee approval) to repay CULS if required in 2025); and

In the event of triggering the conditional Tender Offer in 2026, 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 covering the impact of significant historical market events such as the 2008 Global Financial Crisis, Covid-19 and the Chinese Devaluation on the liquidity of the portfolio, as well as future scenarios such as geo-political tensions in East Asia, and how these factors might affect the Company's prospects and viability in the future.

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 Chair's Statement on page 11 whilst the Investment Manager's views on the outlook for the portfolio are included on pages 14 and 15.

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

Krishna Shanmuganathan,
Chair
23 October 2024

Results

Performance (total return)

	1 year % return[B]	3 year % return[C]	5 year % return	10 year % return	Since inception
Share price[A]	+8.8	+14.8	+37.7	+80.7	+2357.6
Net asset value per Ordinary share – diluted[AB]	+7.9	+13.8	+39.6	+103.9	+2472.6
MSCI AC Asia ex Japan Small Cap Index (currency adjusted)	+14.1	+17.0	+62.6	+120.5	+312.2

[A] Considered to be an Alternative Performance Measure (see page 100 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.
[C] Also represents the period, following the commencement of monitoring performance with effect from 31 July 2021 to determine whether a tender offer for the Ordinary shares of the Company should be undertaken after five years.
Source: abrdn, Morningstar, Lipper & MSCI

Ten Year Financial Record

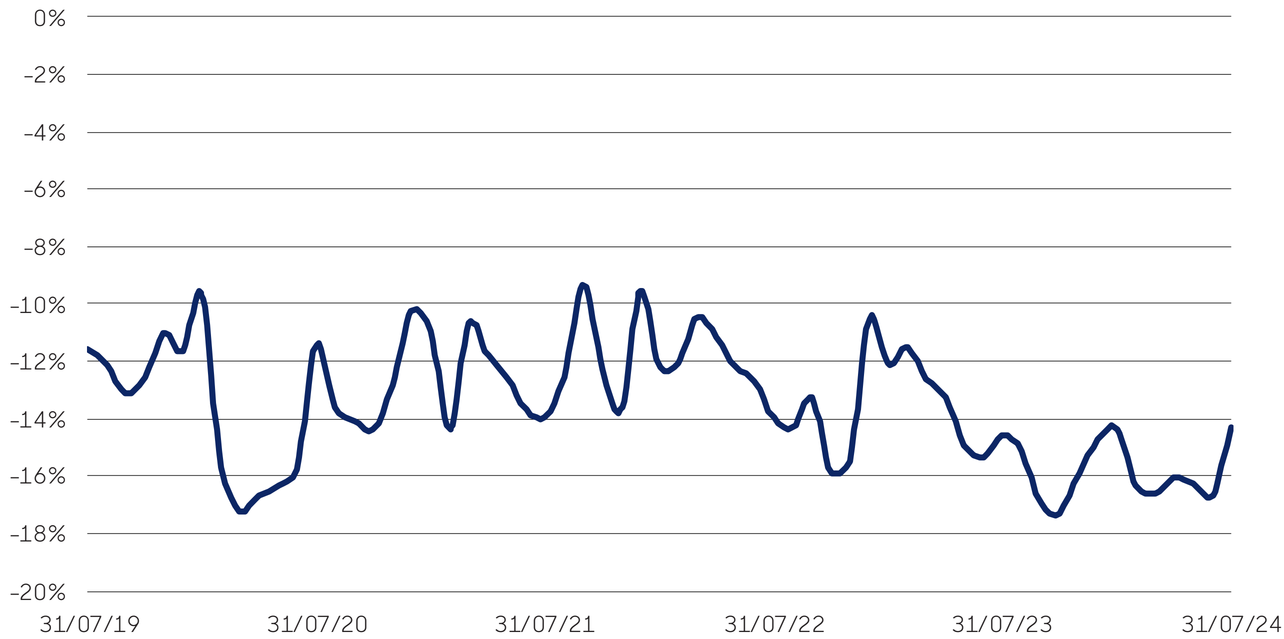
Year to 31 July	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total revenue (£'000)	14,746	10,992	13,896	14,673	14,632	13,595	9,624	18,071	19,984	**17,272**
Per share (p)[A]										
Net revenue return	3.64	1.84	3.86	3.85	4.33	4.29	1.66	9.34	10.29	**8.59**
Total return	(10.03)	33.08	34.46	7.36	15.64	(36.51)	92.34	(7.02)	22.43	**24.12**
Net ordinary dividends paid/proposed	2.10	2.10	2.40	2.60	2.80	2.90	3.00	6.40	6.41	**6.42**
Net special dividends paid/proposed	0.90	–	0.80	0.80	1.00	0.90	0.20	1.60	2.25	**1.00**
Net asset value per share (p)[A]										
Basic	181.23	213.78	247.09	246.37	260.11	221.29	310.90	295.88	310.49	**326.94**
Diluted	179.26	208.60	238.50	n/a	n/a	n/a	309.02	295.25	308.93	**324.26**
Shareholders' funds (£'000)	343,967	383,735	430,105	433,706	441,010	358,956	487,958	464,396	485,784	**502,260**

[A] Figures for 2015-2021 have been restated to reflect the 5:1 sub-division of each Ordinary 25p share into five Ordinary shares of 5p each which occurred on 7 February 2022.

Performance

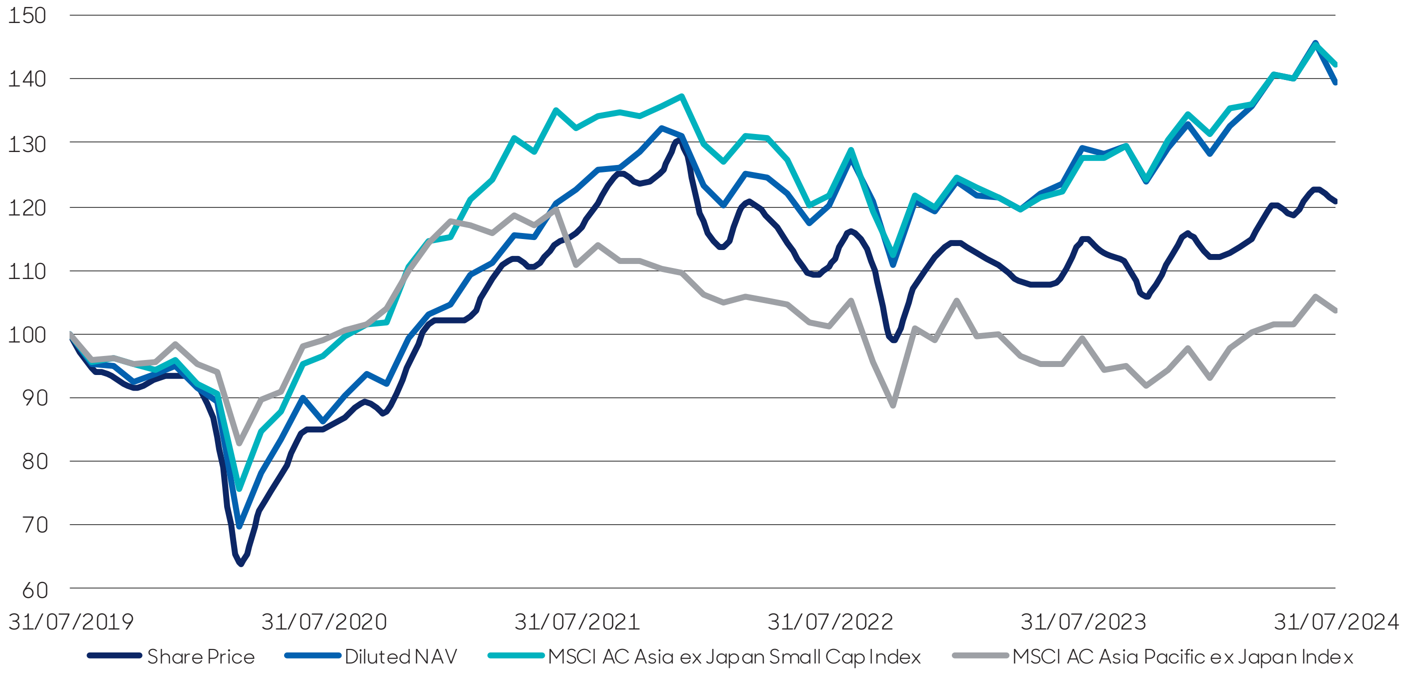
Share Price Discount to Diluted Net Asset Value

Five years to 31 July 2024



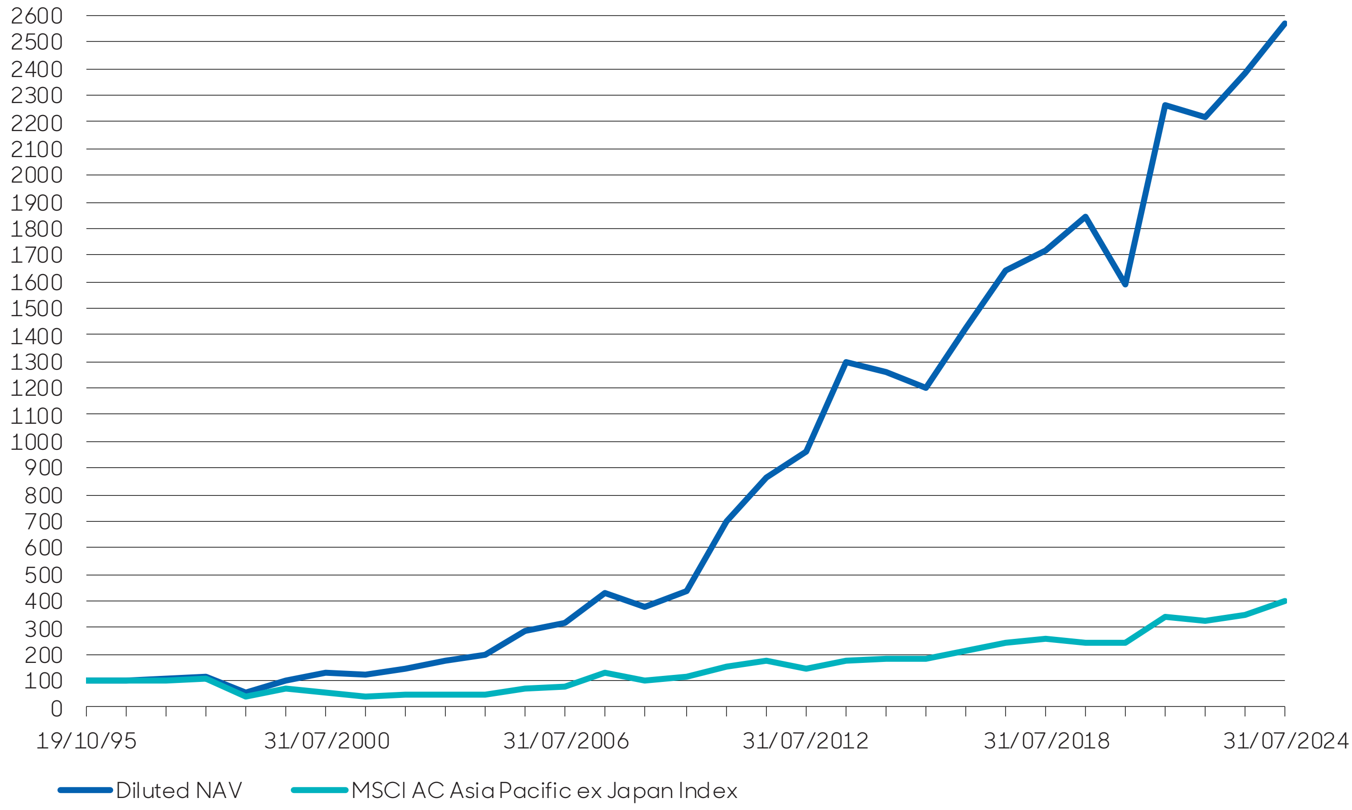
Capital Return of Diluted NAV and Share Price vs MSCI AC Asia ex Japan Small Cap Index (sterling adjusted) and MSCI AC Asia Pacific ex Japan Index (sterling adjusted) and

Five years to 31 July 2024 (rebased to 100 as at 31/07/19)



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

19 October 1995 to 31 July 2024 (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 Asia 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 2024

Aegis Logistics

4.7%
Total assets

A strong and conservative player in India's gas and liquids logistics sector, with a first mover advantage in key ports and a fair amount of capacity expansion to come. The government's push for the adoption of cleaner energy is also boosting its liquefied natural gas business.

FPT Corporation

4.2%
Total assets

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.

Park Systems Corporation

3.3%
Total assets

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.

AKR Corporindo

3.3%
Total assets

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.

Prestige Estates Projects

3.2%
Total assets

Prestige Estates is a leading South Indian developer with a good reputation for executing and completing projects. It is well-placed to benefit from ongoing reforms in the real estate industry, and the recovery of the Bangalore property market.

Taiwan Union

3.0%
Total assets

Taiwan Union Technology Corp is a leading maker of copper clad laminate (CCL), a key base material used to make printed circuit boards. With a strong commitment to R&D, it has moved up the value chain through the years.

Bank OCBC NISP

2.8%
Total assets

An Indonesian listed banking and financial services company, which is a steady consistent performer backed by healthy asset quality.

M. P. Evans Group

2.7%
Total assets

M.P. Evans is an Indonesian producer of sustainable crude palm oil (CPO) with plantations in five Indonesian provinces. We expect appreciation for the group to improve over time with the delivery and realisation of its estates' value and cashflow generating potential.

Affle India

2.7%
Total assets

Affle India operates a data platform that helps direct digital advertising. It is dominant in India where digitalisation has reached an inflection point. The company has also pursued a broader emerging markets growth strategy and now has some positions in Southeast Asia and Latin America.

John Keells Holdings

2.6%
Total assets

A respected and reputable Sri Lanka conglomerate with a healthy balance sheet and good execution, John Keells has a hotels and leisure segment that includes properties in the Maldives. It has other interests in consumer, transportation and financial services.

Portfolio

As at 31 July 2024

Company	Industry	Country	Valuation 2024 £'000	Total assets %	Valuation 2023 £'000
Aegis Logistics	Oil, Gas & Consumable Fuels	India	25,221	4.7	16,974
FPT Corporation	IT Services	Vietnam	22,926	4.2	16,849
Park Systems Corporation	Electronic Equipment, Instruments & Components	South Korea	18,070	3.3	28,924
AKR Corporindo	Oil, Gas & Consumable Fuels	Indonesia	17,804	3.3	16,518
Prestige Estates Projects	Real Estate Management & Development	India	17,104	3.2	10,887
Taiwan Union Technology Corp	Electronic Equipment, Instruments & Components	Taiwan	16,354	3.0	14,928
Bank OCBC NISP	Banks	Indonesia	15,361	2.8	23,675
M.P. Evans Group	Food Products	United Kingdom	14,751	2.7	12,293
Affle India	Media	India	14,652	2.7	13,612
John Keells Holdings	Industrial Conglomerates	Sri Lanka	13,801	2.6	14,586
Top ten investments			**176,044**	**32.5**	
KFin Technologies	Capital Markets	India	13,532	2.5	–
Chroma ATE	Electronic Equipment, Instruments & Components	Taiwan	13,474	2.5	–
Vijaya Diagnostic Centre	Health Care Providers & Services	India	13,285	2.5	8,027
Asian Terminals	Transportation Infrastructure	Philippines	12,623	2.3	10,329
360 One Wam	Capital Markets	India	12,605	2.3	–
Mega Lifesciences (Foreign)	Pharmaceuticals	Thailand	12,507	2.3	13,715
Precision Tsugami China	Machinery	China	12,143	2.2	10,931
LEENO Industrial	Semiconductors & Semiconductor Equipment	South Korea	12,036	2.2	11,610
Dah Sing Financial	Banks	Hong Kong	12,010	2.2	12,225
Medikaloka Hermina	Health Care Providers & Services	Indonesia	11,877	2.2	12,728
Top twenty investments			**302,136**	**55.7**	

Portfolio

Continued

As at 31 July 2024

Company	Industry	Country	Valuation 2024 £'000	Total assets %	Valuation 2023 £'000
Sporton International	Professional Services	Taiwan	11,869	2.2	13,280
Autohome – ADR	Interactive Media & Services	China	10,072	1.8	11,462
Zhejiang Shuanghuan Driveline – A	Auto Components	China	10,012	1.8	–
United Plantations	Food Products	Malaysia	9,768	1.8	6,067
CE Info Systems	Software	India	9,651	1.8	4,774
Apar Industries	Industrial Conglomerates	India	9,576	1.8	–
Nam Long Invest Corporation	Real Estate Management & Development	Vietnam	9,548	1.8	14,312
Makalot Industrial	Textiles, Apparel & Luxury Goods	Taiwan	9,349	1.7	–
Bharti Hexacom	Telecommunications Service Providers	India	9,327	1.7	–
AEON Credit Service (M)	Consumer Finance	Malaysia	9,016	1.7	7,677
Top thirty investments			**400,324**	**73.8**	
HD Korea Shipbuilding & Offshore Engineering	Machinery	South Korea	8,926	1.6	–
UNO Minda	Auto Components	India	8,817	1.6	–
SINBON Electronics	Electronic Equipment, Instruments & Components	Taiwan	8,688	1.6	6,824
Ultrajaya Milk Industry & Trading	Food Products	Indonesia	8,510	1.6	11,124
HD Hyundai Marine Solution	Industiral Transportation	South Korea	8,355	1.5	–
Proya Cosmetics – A	Personal Care Products	China	8,000	1.5	–
Military Commercial Joint Stock Bank	Banks	Vietnam	7,957	1.5	–
Aptus Value Housing Finance	Financial Services	India	7,651	1.4	–
Sunonwealth Electric Machine Industry	Machinery	Taiwan	7,500	1.4	10,029
J.B. Chemicals & Pharmaceuticals	Pharmaceuticals	India	7,489	1.4	–
Top forty investments			**482,217**	**88.9**	

As at 31 July 2024

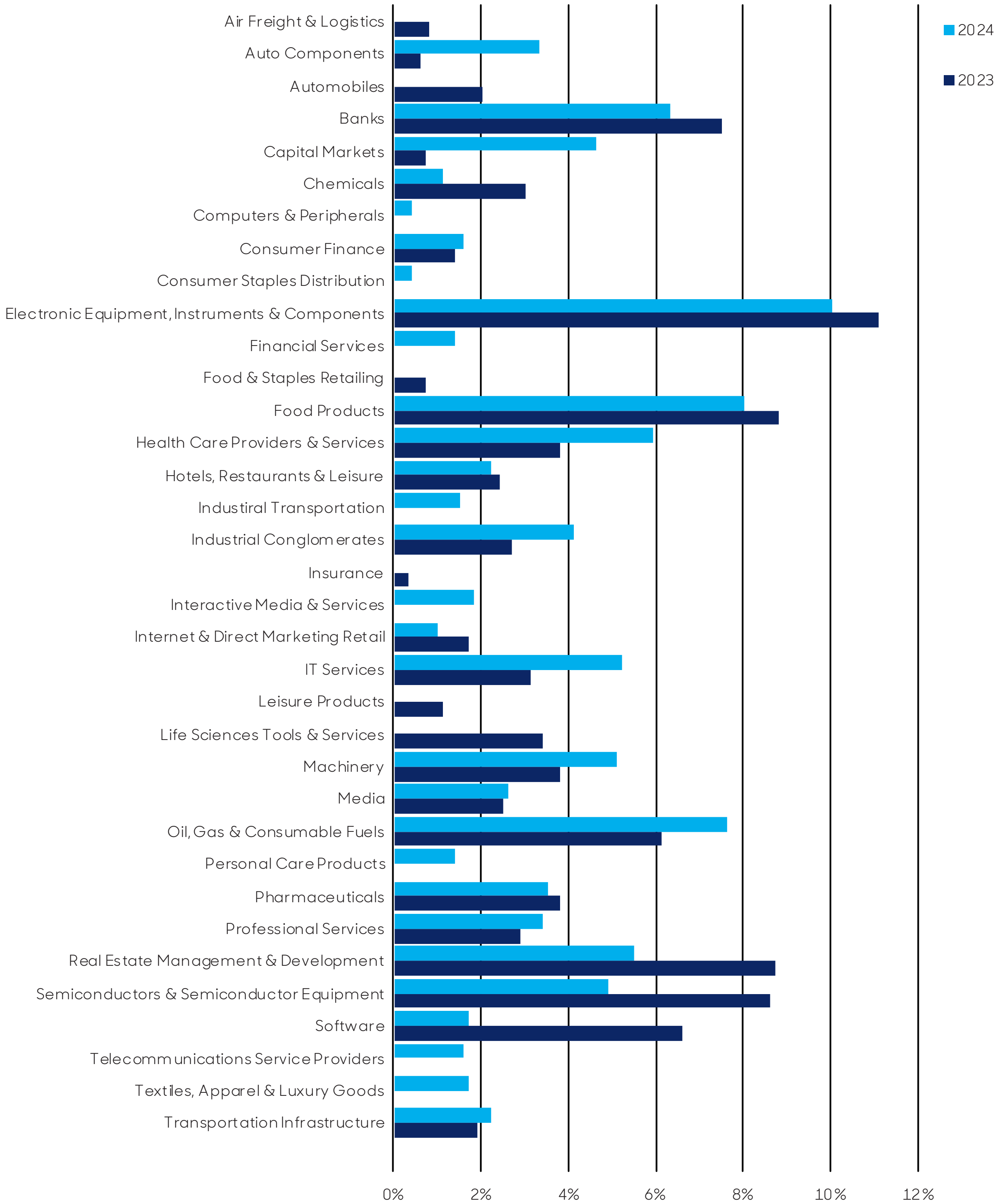
Company	Industry	Country	Valuation 2024 £'000	Total assets %	Valuation 2023 £'000
Millenium & Copthorne Hotels New Zealand (A)	Hotels, Restaurants & Leisure	New Zealand	6,727	1.2	8,546
Cyient	IT Services	India	6,724	1.2	19,980
Century Pacific Food	Food Products	Philippines	6,390	1.2	–
Alchip Technologies	Semiconductors & Semiconductor Equipment	Taiwan	6,194	1.1	–
Hansol Chemical	Chemicals	South Korea	5,980	1.1	–
Tongcheng Travel Holdings	Hotels, Restaurants & Leisure	China	5,742	1.1	–
Chacha Food – A	Food Products	China	5,642	1.1	7,903
MOMO.com	Internet & Direct Marketing Retail	Taiwan	5,520	1.0	9,222
Humanica (Foreign)	Professional Services	Thailand	5,068	0.9	–
ASMPT Ltd	Semiconductors & Semiconductor Equipment	Hong Kong	4,804	0.9	–
Top fifty investments			**541,008**	**99.7**	
Bangkok Chain Hospital	Health Care Providers & Services	Thailand	4,772	0.9	–
Pentamaster International	Semiconductors & Semiconductor Equipment	Malaysia	4,405	0.8	6,782
Hang Lung Properties	Real Estate Management & Development	Hong Kong	4,383	0.8	–
Global Health	Health Care Providers & Services	India	3,377	0.6	–
Asia Vital Components	Technology Hardware, Storage & Peripherals	Taiwan	2,486	0.5	–
Convenience Retail Asia	Consumer Staples Distribution	Hong Kong	2,077	0.4	4,013
Credit Bureau Asia	Professional Services	Singapore	2,068	0.4	2,953
First Sponsor Group (Warrants 21/03/2029)	Real Estate Management & Development	Singapore	221	–	247
G3 Exploration	Oil, Gas & Consumable Fuels	China	–	–	–
Total investments			564,797	104.1	
Net current assets			(22,340)	(4.1)	
Total assets[B]			542,457	100.0	

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

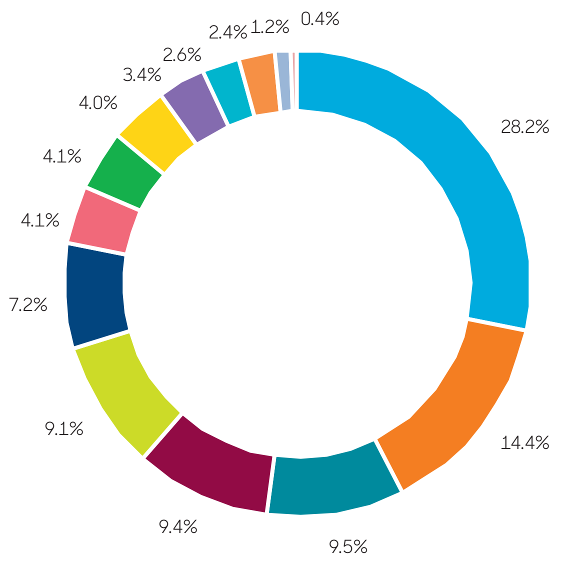
Sector/Geographical Analysis

As at 31 July 2024

Sector Breakdown

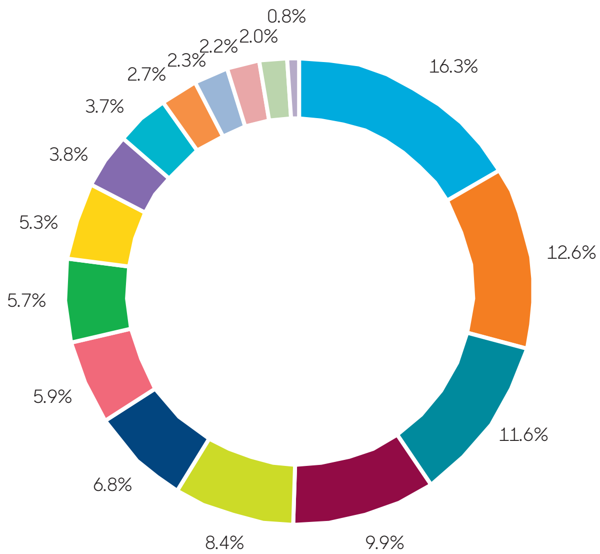


Geographic Breakdown



Country allocation - 2024

- India - 28.2%
- Taiwan - 14.4%
- Indonesia - 9.5%
- South Korea - 9.4%
- China - 9.1%
- Vietnam - 7.2%
- Hong Kong - 4.1%
- Malaysia - 4.1%
- Thailand - 4.0%
- Philippines - 3.4%
- UK - 2.6%
- Sri Lanka - 2.4%
- New Zealand - 1.2%
- Singapore - 0.4%



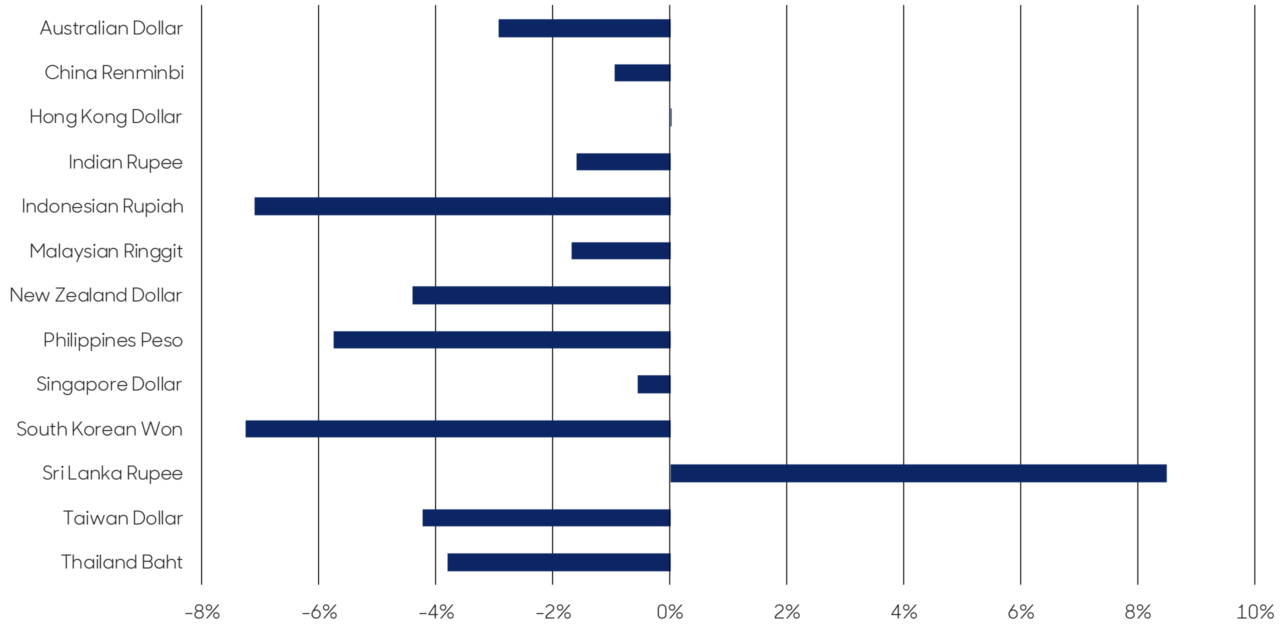
Country allocation - 2023

- India - 16.3%
- Taiwan - 12.6%
- Indonesia - 11.6%
- China - 9.9%
- South Korea - 8.4%
- Malaysia - 6.8%
- Thailand - 5.9%
- Vietnam - 5.7%
- Singapore - 5.3%
- Hong Kong - 3.8%
- Philippines - 3.7%
- Sri Lanka - 2.7%
- New Zealand - 2.3%
- UK - 2.2%
- Denmark - 2.0%
- Myanmar - 0.8%

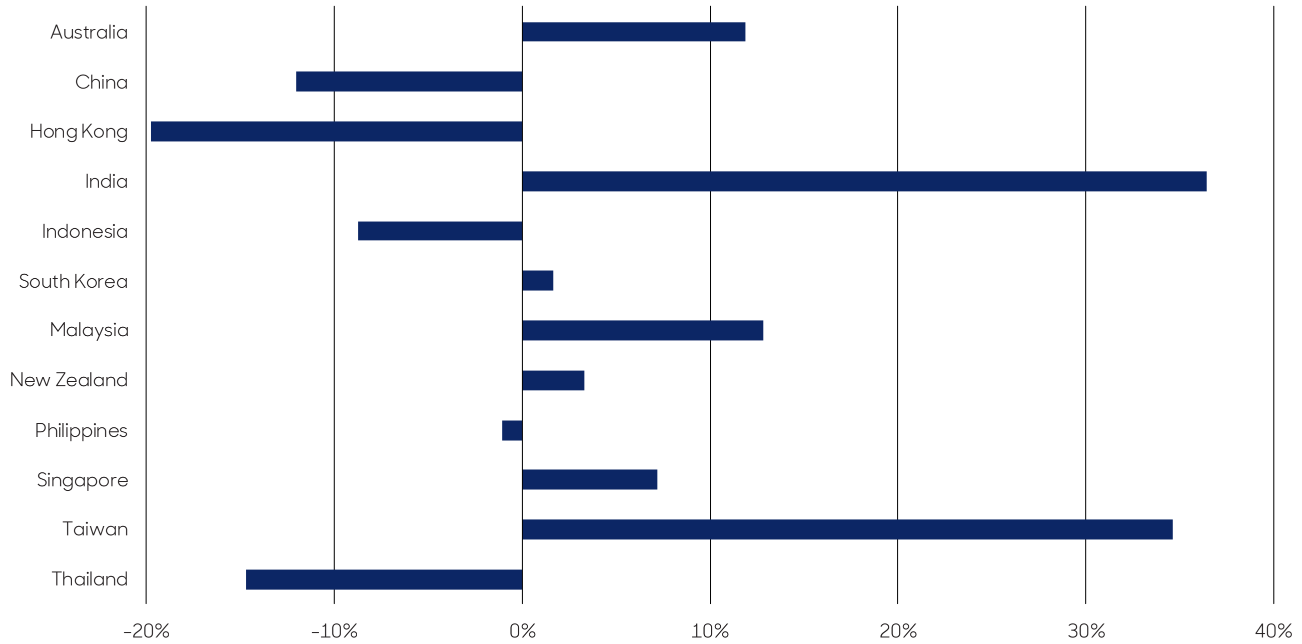
Currency/Market Performance

Year to 31 July 2024

Currency Returns (in Sterling Terms)



MSCI Country Index Total Returns (in Sterling Terms)



Investment Case Studies

Zhejiang Shuanghuan Driveline

In which year did we first invest?
2023

% Holding:
1.8%

Where is its head office?
Hangzhou, China

What does Zhejiang Shuanghuan Driveline do?
The Chinese company has been making transmission gears for more than 40 years. Its gears are used widely in the automotive, construction machinery and power tool industries.

Why do we like the company?
Shuanghuan is a leading supplier of high-precision gears for electric vehicle (EV) manufacturers in China, benefiting from its expertise in gear design and manufacturing. Its strong research and development capabilities and commitment to innovation and quality are evident in its top-tier customer base. We see the company as well placed to capitalise on the growing outsourcing trend among original equipment manufacturers (OEMs) and increasing EV penetration, with the company commanding over 50% market share in gears for Chinese EVs. Areas of growth would include smart plastic gears, which are penetrating into various applications including smart home devices and vehicles, as well as industrial robots. The company's overseas expansion is also ahead of schedule, with a new factory in Hungary set to open in the fourth quarter of this year.

When did we engage the company on ESG?
We last met the company as a priority engagement effort in November 2022, in addition to our regular meetings with the company since then.

What were the key areas of engagement?
We sent an engagement letter to the board secretary to suggest that the company take proactive actions to identify potential ESG risks and improve disclosures on corporate governance, carbon emission, labour safety and product quality. We also shared a few ESG reports in the automobile industry with the company, and explained to management why we feel these some of these issues can be financially material.

What efforts have the company made on the ESG front?
We have a favorable view of the company's culture and governance standards. The staff is relatively diverse for an industrial company in China, with many women working on the factory floor. Employees are incentivized and aligned with the controllers via stock options. As an enabler of further EV penetration globally, the company's operations support decarbonization efforts by auto OEMs. The company has set up an ESG committee at the board level to formulate ESG goals, oversee operations, conduct research, and provide insights on enhancing ESG performance. This committee reports to the board. Furthermore, the company has also established an ESG working group, which promotes ESG and submits proposals to the ESG committee, to enhance the group's overall risk framework. The company published its first ever ESG report in 2022.

When do we next meet the company and what will be on the agenda?
We would look to engage the company over the next six months to check on its progress in engaging with rating agency MSCI because the company is a small-cap stock and has yet to be rated by MSCI for its ESG efforts.

From an operational perspective, we are likely to question management on the profile of its order book, any changes to the demand outlook domestically and overseas, and progress on its overseas expansion. We would also want to drill down into the company's individual segments to check on opportunities and risks, and get an update on any changes to the long-term strategic plans.

Investment Case Studies

Continued

KFin Technologies

In which year did we first invest?
2023

% Holding:
2.5%

Where is its head office?
Hyderabad, India

What does KFin do?
KFin is a digital platform business that serves the asset management industry in India, by providing services that help manage investments. For instance, KFIn acts as a registrar and transfer agent (RTA) for domestic mutual funds, handling the administrative tasks related to managing these funds.

Why do we like the company?
We see the company as a key beneficiary of India's growing wealth accumulation trend, with more people turning to financial markets for savings. The industry is attractive due to a duopoly structure in the core RTA business, a loyal customer base, and high entry barriers from its low-cost operating model. The market is growing rapidly, and the company is successfully diversifying its revenue by product line and geography. We are impressed by KFin's management and the CEO's growth ambitions, with future acquisitions likely to accelerate its international expansion. This is an exciting growth company with a highly recurring core business, strong financials, a high operating margin of over 40%, healthy cash flow, and a solid balance sheet.

When did we engage the company on ESG?
We last discussed ESG issues with the company in March 2024.

What were the key areas of engagement?
We have been engaging the company on regulatory risks, data privacy and cybersecurity, operational risks such as fraud and money laundering, as well as talent retention.

What efforts have the company made on the ESG front?
Regulatory risks are significant in the industry, but KFin has a commendable track record with no material client errors or issues with the Reserve Bank of India. The company also has a robust code of conduct to ensure compliance with regulatory standards, particularly concerning insider trading. o address staff attrition, KFin has implemented long-term incentives and employee stock ownership plans to help retain talent. Additionally, the company focuses on user consent, data security, and transparency, aligning with best practices in data privacy management.

When do we next meet the company and what will be on the agenda?
We plan to meet the company before the end of 2024 to discuss key issues such as regulatory trends and labour management, especially staff attrition rates and talent retention. We also want to hear management's thoughts on the ramp-up of its RTA business in Southeast Asia, their capital allocation priorities, and the most exciting growth opportunities. Finally, we will touch base on key customer relationships and any potential fee pressures, which we do not believe to be the case.

Humanica

In which year did we first invest?
2024

% Holding:
0.9%

Where is its head office?
Bangkok, Thailand

What does Humanica do?
Humanica is a leading provider of HR technology and outsourcing services, such as employee data management, benefits administration, payroll processing, and reporting, across Southeast Asia.

Why do we like the company?
We see room for growth in this industry with Humanica's prospects enhanced by its merger with DataOn Group, the largest provider of HR solutions in Indonesia in May 2022. This merger combined the strengths of both companies' software developers, resulting in the creation of a new flagship software called Workplaze, completed in March 2023. Workplaze is a strong competitor to international human resource management software because of its lower pricing and localised features tailored to each country; elements that are often missing in globally renowned software products. It is gaining momentum across markets in Southeast Asia. Following the merger, Humanica's management team remains strong and intact. Its financials have improved significantly due to post-acquisition benefits and the higher average selling price of Workplaze compared to its flagship software Humatrix is likely to expand margins over time. The company continues to target the premium-mass segment, which still offers plenty room for growth over the long term.

When did we engage Humanica on ESG?
We last met the company in April 2024.

What were the key areas of engagement?
Our key areas of engagement with the company have been on data security and the sustainability of research and development that help prevent its software from becoming obsolete.

What efforts have the company made on the ESG front?
On data security, Humanica plans to apply for ISO 27001 by 2025 and ISO 27701 by 2024. They have set up a committee to oversee information security and personal data protection. The company has allocated 100 million baht per year for upgrading its human resource management and digital healthcare software, developing new applications, and seeking new partners.

When do we next meet the company and what will be on the agenda?
We plan to meet the company in the second half of 2024 to discuss its progress on ISO licences and updates on key ESG areas, including data security and corporate governance.

In addition, we need to monitor Humanica's progress in acquiring new customers across its key markets, retaining them, and cross-selling new software. As with any software business, it is important that we track the glide path towards higher profitability as the company gains scale and how management balances this with investments in sales and marketing, R&D and other business development opportunities.

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

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 and is chair of Weiss Korea Opportunities Fund.

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

Last re-elected to the Board:
5 December 2023

Committee membership:
Management Engagement Committee and Nomination Committee

Remuneration:
£42,000 per annum

All other public company directorships:
Weiss Korea Opportunity Fund (Chair)

Other connections with Trust or Manager:
None

Shareholding in Company:
9,047 Ordinary shares

Charlotte Black
Independent Non-Executive Director

Experience:
A Fellow of the Chartered Institute for Securities & Investment, 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. Charlotte is a founder Director of Artclear Ltd – a financial infrastructure platform for the art industry.

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

Last re-elected to the Board:
5 December 2023

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

Remuneration:
£30,000 per annum

All other public company directorships:
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:
2 years, appointed a Director on 15 June 2022

Last re-elected to the Board:
5 December 2023

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

Remuneration:
£30,000 per annum

All other public company directorships:
Nil

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:
2 years, appointed a Director on 13 July 2022

Last re-elected to the Board:
5 December 2023

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

Remuneration:
£34,000 per annum

All other public company directorships:
Nil

Other connections with Trust or Manager:
None

Shareholding in Company:
Nil

Board of Directors

Continued

Lucy Macdonald

Independent Non-Executive Director

Experience:
Ms Macdonald was, until 2020, managing director, CIO global equities at Allianz Global Investors. She is an experienced board director and is currently a member of the investment committee of the RNLI, a non-executive council member of the Duchy of Lancaster and senior independent director of JPMorgan Global Emerging Markets Income Trust Plc.

Length of service:
Appointed a Director on 5 December 2023

Last re-elected to the Board:
Proposed for election on 6 December 2024

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

Remuneration:
£30,000 per annum

All other public company directorships:
JPMorgan Global Emerging Markets Income Trust Plc

Other connections with Trust or Manager:
None

Shareholding in Company:
12,000 Ordinary shares

Davina Curling

Senior Independent Non-Executive Director

Experience:
Ms Curling was formerly managing director, head of European equities at Russell Investments. More recently she has consulted on projects for small companies and start-ups in the financial, manufacturing and retail sectors. She is a non-executive director of Henderson Opportunities Trust plc and Baillie Gifford European Growth Trust plc (*from 1 November 2024*). She is also senior independent director of INVESCO Global Equity Income Trust plc and an independent member of the investment committee of St James's Place Wealth management.

Length of service:
Appointed a Director on 1 March 2024

Last re-elected to the Board:
Proposed for election on 6 December 2024

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

Remuneration:
£30,000 per annum

All other public company directorships:
Henderson Opportunities Trust plc
INVESCO Global Equity Income Trust plc
Baillie Gifford European Growth Trust plc (*from 1 November 2024*)

Other connections with Trust or Manager:
None

Shareholding in Company:
Nil

Directors' Report

The Directors present their Report and the audited financial statements for the year ended 31 July 2024.

Results and Dividends

Details of the Company's results and proposed dividends are shown on page 24 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 2024 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.

At 31 July 2024, there were 153,626,718 fully paid Ordinary shares of 5p each (2023 – 156,457,978 Ordinary shares of 5p each) in issue with a further 55,094,590 Ordinary shares of 5p held in treasury (2023 – 52,244,590 Ordinary shares of 5p each held in treasury). During the year 2,850,000 Ordinary shares were purchased in the market for treasury (2023 – 500,000). 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 treasury Subsequent to the period end, 2,372,500 Ordinary shares were purchased in the market for treasury.

On 14 December 2023, 24,012 units of Convertible Unsecured Loan Stock 2025 were converted into 8,191 new Ordinary shares of 5p each. On 14 June 2024 30,927 units of Convertible Unsecured Loan Stock 2025 were converted into 10,549 new Ordinary shares of 5p each. In accordance with the terms of the CULS Issue, (as adjusted to reflect the five for one share subdivision in February 2022), the conversion price of the CULS for both conversions 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 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 and due to mature in 2035. The Loan Note ranks pari passu with the Company's other unsecured and unsubordinated financial indebtedness.

Management Agreement

The Company has appointed abrdn Fund Managers Limited ("aFML"), a wholly owned subsidiary of abrdn plc ("abrdn Group"), 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 abrdn Holdings Limited and promotional activities to abrdn Investments Limited ("aIL").

Management Fee

The annual management fee is based upon the market capitalisation of the Company and 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. 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. 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 (2023 - nil) and has not made any charitable donations during the year (2023 – 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, C Black, K Shanmuganathan, L Cooper, A Finn, L Macdonald (appointed 5 December 2023) and D Curling (appointed 1 March 2024), together with Randal Dunluce (The Earl of Antrim), who retired on 5 December 2023, were the only Directors who served during the year. 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 6 December 2024 and, with the exception of the Earl of Antrim, will offer themselves for re-election. Details of each Director's contribution to the long term success of the Company are provided on page 49.

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 Chair

The Chair 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 Chair facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chair ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chair 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 Chair also engages with major shareholders and ensures that all Directors understand shareholder views.

Davina Curling has been appointed Senior Independent Director, acting as a sounding board for the Chair and acting as an intermediary for other Directors as applicable. The Audit Committee Chairman and Senior Independent Director are both available to shareholders to discuss any concerns they may have.

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 it to fulfil its obligations. The Board also recognises the benefits and is supportive of, and will give due regard to, the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, socio-economic background, religion, ethnic or national origins or disability in considering the appointment of Directors. The Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment whilst also taking account of the targets set out in the FCA's Listing Rules, which are set out overleaf.

The Board has resolved that the Company's year-end date is the most appropriate date for disclosure purposes. The following information has been provided by each Director through the completion of questionnaires.

Table for reporting on gender as at 31 July 2024

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, Chair and SID)	Number in executive management	Percentage of executive management
Men	3	50%	2	n/a (note 4)	n/a (note 4)
Women	3	50% (note 1)	1 (note 3)		
Not specified/prefer not to say	-	-	-		

Table for reporting on ethnic background as at 31 July 2024

	Number of board members	Percentage of the board	Number of senior positions on the board (CEO, CFO, Chair and SID)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	5	80%	2 (note 3)	n/a (note 4)	n/a (note 4)
Mixed / Multiple Ethnic Groups	-	-	-		
Asian/Asian British	1	20% (note 2)	1		
Black/African/Caribbean/Black British	-	-	-		
Other ethnic group, including Arab	-	-	-		
Not specified/prefer not to say	-	-	-		

Notes:

1. The Company meets the target that at least 40% of Directors are women as set out in LR 6.6.6R (9)(a)(i) for the year ended 31 July 2024.
2. The Company meets the target that at least one Director is from a minority ethnic background as set out in LR 6.6.6R (9)(a)(iii).
3. The Company meets the target that at least one of the senior positions is filled by a woman set out in LR 6.6.6R(a)(ii), for the year to 31 July 2024 as Ms Davina Curling is Senior independent Director. The Company is externally managed and does not have any executive staff specifically it does not have either a CEO or CFO. The Board believes that it is appropriate and reasonable that the role of Audit Committee Chairman on an investment trust that has no executive staff should also be considered to be a senior position.
4. This column is not applicable as the Company is externally managed and does not have any executive staff.

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); and
4. executive directors' remuneration (provisions 33 and 36 to 40).

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 full text of the Company's Corporate Governance Statement can be found on the Company's website: **asia-focus.co.uk**.

The Board is cognisant of the FRC's new Corporate Governance Code 2024 provisions effective for financial years commencing on 1 January 2025 and is in the process of assessing any consequential changes to be made to operations and governance.

During the year ended 31 July 2024, the Board had five 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. 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 2024 (with their eligibility to attend the relevant meeting in brackets):

Director	Board	Audit Committee	Nomination Committee	Management Engagement Committee
K Shanmuganathan [D]	5 (5)	n/a	1 (1)	1 (1)
C Black	5 (5)	2 (2)	1 (1)	1 (1)
L. Cooper	5 (5)	2 (2)	1 (1)	1 (1)
A Finn	5 (5)	2 (2)	1 (1)	1 (1)
L Macdonald [A]	3 (3)	1 (1)	1 (1)	0 (0)
D Curling [B]	3 (3)	1 (1)	1 (1)	0 (0)
Earl of Antrim [C]	2 (2)	1 (1)	0 (0)	1 (1)

[A] Ms Macdonald was appointed to the Board on 5 December 2023.
[B] Ms Curling was appointed to the Board on 1 March 2024.
[C] The Earl of Antrim retired on 5 December 2023.
[D] The Chair is not a member of the Audit Committee but typically attends each meeting by invitation.

Policy on Tenure

In compliance with the provisions of the AIC Code, it is expected that Directors will serve in accordance with the nine-year time limits laid down by the AIC Code.

Board Committees

Audit Committee

The Audit Committee Report is on pages 59 to 61 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 page 22.

During the year the Nomination Committee completed a search for two new independent 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 decision to appoint Ms Lucy Macdonald and Ms Davina Curling as independent non-executive Directors with effect from 5 December 2023 and 1 March 2024.

The Board undertakes an annual evaluation of the Board, Directors, the Chair and the Audit Committee which is conducted by questionnaires. In light of a number of changes to Board composition during the year, the Board is in the process of agreeing the terms and remit of the 2024 Board evaluation which will be an externally facilitated evaluation overseen by an independent specialist firm.

The Nomination Committee has reviewed the contributions of each Director ahead of their proposed re-elections at the AGM on 6 December 2024. Ms Black has continued to bring significant financial promotion, marketing and communications expertise to the Board and has been closely involved in the ongoing development of the Company's website; Mr Shanmuganathan has continued to bring his deep experience of Asia and has seamlessly assumed the role of Chair during the year to great effect; Mr Cooper has brought the weight of his significant local Asian market experience to the Board's discussions; and Mr Finn has brought relevant and recent accounting and financial experience to the board and has led the Audit Committee with expertise. Ms Macdonald and Ms Curling were appointed during the year and have both been on the Board for a relatively short time but each has already contributed significantly to Board discussions in areas such as portfolio management and performance reporting. For the foregoing reasons, the independent members of the Nomination Committee have no hesitation in recommending the re-election of each Director who will be submitting themselves for re-election at the AGM on 6 December 2024.

Management Engagement Committee

The Management Engagement Committee comprises all the Directors and is chaired by Mr Finn. 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 Chair.

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 55 to 57.

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;
- 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 October 2024 meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 31 July 2024 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 2024. 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 is mindful that the Convertible Unsecured Loan Stock 2025 ("CULS") is due to mature on 31 May 2025. The Board expects to be able to refinance the CULS if desired, by arranging a new bank facility, drawing down under the Loan Note Shelf Facility (which is uncommitted and subject to lender credit committee approval) or by arranging alternative finance. In the event that the Board chooses not to refinance the maturing CULS the Company will repay the CULS from portfolio sales. To this end the Manager has conducted stress testing on the portfolio covering reasonably possible downside market scenarios with attention on the resulting liquidity of the portfolio. The plausible downside scenarios modelled include historical market events including the Chinese Devaluation, COVID-19 and other similar shocks and resulted in a reduction in portfolio valuation of up to 27.5% in the worst case which would not impact any future plans to redeem of the CULS or the business model of the Company.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report on pages 20 and 21 and they believe that the Company has adequate financial resources to continue its operational existence for a period of 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 potentially less favourable market conditions. The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year and considered the Company's Statement of Financial Position as at 31 July 2024 which shows net current liabilities of £22.3 million at that date, and do not consider this to be a concern due to the liquidity of the portfolio which would enable the Company to meet any short term liabilities if required. 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 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 58 and 69 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 December 2023 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 2024:

Shareholder	No. of Ordinary shares held	% held
City of London Investment Management Company	36,485,774	23.75
Interactive Investor (non-beneficial)	20,097,651	13.1
Allspring Global Investments	19,541,334	12.7
Hargreaves Lansdown (non-beneficial)	10,950,336	7.1
Funds managed by abrdn plc	6,051,791	3.9
1607 Capital Partners	5,261,928	3.4
Charles Stanley	4,704,334	3.1

On 23 August 2024 Allspring Global Investments notified a change in holding to 19,916,065 (12.97%) Ordinary shares; on 17 October 2024 abrdn plc notified a change in holding to 9,033,837 (6.0%) Ordinary shares; and on 21 October 2024 City of London Investment Management notified a change in holding to 32,692,372 (21.6%) Ordinary shares. There have been no other significant changes notified in respect of the above holdings between 31 July 2024 and 23 October 2024.

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. The Chair, often in conjunction with another Director, meets with the largest shareholders at least annually.

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 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.

Consumer Duty

The FCA's Consumer Duty rules were published in July 2022. The rules comprise a fundamental component of the FCA's consumer protection strategy and aim to improve outcomes for retail customers across the entire financial services industry through the assessment of various outcomes, one of which is an assessment of whether a product provides value. Under the Consumer Duty, the Manager is the product 'manufacturer' of the Company and therefore the Manager was required to publish its assessment of value from April 2023. Using a newly developed assessment methodology, the Manager assessed the Company as 'expected to provide fair value for the reasonably foreseeable future'. During 2023 the Board has gained an understanding of the Manager's basis of assessment and no concerns were identified with either the assessment method or the outcome of the assessment.

Special Business at the Annual General Meeting

Directors' Authority to Allot Relevant Securities

Approval is sought in Resolution 11, 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 11 is to authorise the Directors to allot up to a maximum of 102.19 million shares in total (representing approximately 2/3 of the existing issued capital of the Company), of which a maximum of 51.09 million 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 12 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 12 and subject to the authority to be conferred by Resolution 11 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 13 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 13 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 12 above, may be held in treasury. During the year the Company has not bought back any Ordinary shares for Treasury.

If Resolutions 11 to 13 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 14 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 2025. 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 14 in limited and time sensitive circumstances.

Directors' Report

Continued

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 11 to 14 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 11 to 14 to be proposed at the AGM, as they intend to do in respect of their own beneficial shareholdings amounting to 29,837 Ordinary shares.

By order of the Board
abrdn Holdings Limited -Secretaries
280 Bishopsgate
London EC2M 4AG
23 October 2024

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 64.

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 2024 £	31 July 2023 £
Chair	**42,000**	37,500
Chairman of Audit Committee	**34,000**	32,000
Director	**30,000**	28,500

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 £30,000 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' Remuneration Report

Continued

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.

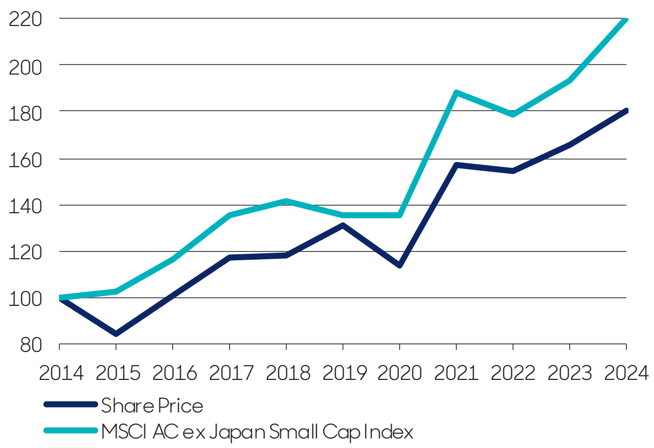
Implementation Report

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 and the impact of inflation. Following the review, it was concluded that the fees should be increased from £37,500 to £42,000 for the Chair, from £32,000 to £34,000 for the Audit Committee Chairman and from £28,500 to £30,000 for other Directors, with effect from 1 February 2024. Prior to this change, the Directors' fees were last increased in February 2023. 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 2024 (rebased to 100 at 31 July 2014). 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 5 December 2023, shareholders approved the Directors' Remuneration Report in respect of the year ended 31 July 2023 and the following proxy votes were received on the resolutions:

Resolution	For [A]	Against	Withheld
(2) Receive and Adopt Directors' Remuneration Report	90.7m (99.8%)	183,423 (0.2%)	141,912
(3) To approve the Directors' Remuneration Policy [B]	90.6m (99.8%)	213,387 (0.2%)	158,4890

[A] Including discretionary votes.
[B] Approved at the AGM held on 5 December 2023.

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 below, the dividends paid to shareholders are set out in note 8 and the shares bought back for treasury are disclosed in note 14.

Audited Information

Directors' Remuneration Table (audited)

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

Director	2024 £	2023 £
K Shanmuganathan (Chair and highest paid Director)	**39,750**	33,833
C Black	**29,250**	28,000
L Cooper	**29,326**	27,963
A Finn	**33,000**	31,250
L Macdonald [A]	**19,367**	-
D Curling [B]	**12,500**	-
The Earl of Antrim [C]	**9,883**	28,000
N K Cayzer [D]	**-**	11,833
Total	**173,076**	160,879

[A] Ms Macdonald was appointed to the Board on 5 December 2023.
[B] Ms Curling was appointed to the Board on 1 March 2024.
[C] The Earl of Antrim retired on 5 December 2023.
[D] Mr Cayzer retired from the Board on 30 November 2022.

No taxable benefits were paid to Directors during the year (2023: nil).

Annual Percentage Change in Directors' Remuneration

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

Director	2024 %	2023 %	2022 %	2021 %	2020 %
K Shanmuganathan (Chair and highest paid Director) [A]	**17.4**	23.0	0.8	84.1	n/a
C Black	**4.5**	1.8	0.8	1.1	45.7
L Cooper [B]	**4.9**	n/a	n/a	n/a	n/a
A Finn [C]	**5.6**	n/a	n/a	n/a	n/a
L Macdonald [D]	**-**	n/a	n/a	n/a	n/a
D Curling [E]	**-**	n/a	n/a	n/a	n/a

[A] Mr Shanmuganathan was appointed to the Board on 3 June 2020.
[B] Mr Cooper was appointed to the Board on 15 June 2022.
[C] Mr Finn was appointed to the Board on 13 July 2022.
[D] Ms Macdonald was appointed to the Board on 5 December 2023.
[E] Ms Curling was appointed to the Board on 1 March 2024.

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.

Sums Paid to Former Directors

In accordance with the disclosure requirements of paragraph 15 of Schedule 8 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008/410, no fees were paid to former Directors in the year ended 31 July 2024 (2023: a fee of £75,000 plus VAT was paid to Mr Martin Gilbert, a former Director of the Company who retired in November 2019, in respect of independent consultancy services provided to the Company in the three year period ending 31 July 2023).

Directors' Interests in the Company (audited)

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 2024 and 31 July 2023, 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 2024 [A] Ordinary shares	31 July 2023 Ordinary shares
K Shanmuganathan	**9,047**	5,270
C Black	**4,790**	4,790
L Cooper	**-**	-
A Finn	**-**	-
L Macdonald	**12,000**	-
D Curling	**-**	-
Earl of Antrim [B]	**4,000**	4,000

[A] or date of resignation, if earlier.
[B] The Earl of Antrim retired from the Board on 5 December 2023.

The above interests are unchanged at 23 October 2024, 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 2024:

- 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.

Krishna Shanmuganathan,
Chair
23 October 2024

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 prepared the financial statements 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).

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records that 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 42 to 44, being the persons responsible, hereby confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with United Kingdom Accounting Standards, comprising FRS 102, give a true and fair view of the assets, liabilities, financial position and net return 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
Krishna Shanmuganathan,
Chair
23 October 2024

Report of the Audit Committee

I am pleased to present the report of the Audit Committee for the year ended 31 July 2024 which has been prepared in compliance with applicable legislation.

Committee Composition

The Audit Committee comprises of five independent Directors at the year end; Charlotte Black, Lindsay Cooper, Lucy Macdonald, Davina Curling and myself (Alex Finn), as Chairman. 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 Group 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 undertook a further deep-dive review of the Company's Risk Register in order to ensure that it was functional and fit for purpose.

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 2024, 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 76. All investments are listed and 99.6% of the portfolio is 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 SA London Branch) 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 depositary which confirmed that the accounting records correctly reflected all investee holdings and that these agreed to custodian records.

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 76. 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 58.

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 (2023 - 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 – 2024 represents the fourth 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 auditor, 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 2024 will be the fourth year for which the present Senior Statutory Auditor, Ms Gillian Alexander, has served. The Committee considers PwC, the Company's auditor, to be independent of the Company.

Alex Finn
Audit Committee Chairman
23 October 2024

Financial Statements

Three interim dividends of 1.6p and a fourth interim of 1.62p have been paid in March, June, September and December 2024 totalling 6.42p (2023 – Ordinary dividend 6.41p); together with a further special interim dividend in respect of the year ended 31 July 2024 of 1.0p per Ordinary share which will be paid on 20 December 2024. The special dividend will bring the total distribution for the year to 7.42p (2023 – 8.66p)

Independent auditors' report to the members of abrdn Asia Focus plc

Report on the audit of the financial statements

Opinion

In our opinion, abrdn Asia Focus plc's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 July 2024 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, including 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 2024; 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

Context

The Company is a standalone Investment Trust Company and engages abrdn Fund Managers Limited (the "AIFM") to manage its assets.

Overview

Audit scope

- We conducted our audit of the financial statements using information from the AIFM to whom the Directors 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, the accounting processes and controls, and the industry in which the Company operates.
- We obtained an understanding of the 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: £5,022,000 (2023: £4,857,000) based on approximately 1% of Net Assets.
- Performance materiality: £3,766,500 (2023: £3,642,000).

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 the Report of the Audit Committee, Accounting Policies and the Notes to the Financial Statements. We focused on the accuracy, completeness and occurrence of dividend income recognition as incomplete or inaccurate income could have a material impact on the Company's net asset value and dividend cover. We also focused on the accounting policy for investment income recognition and its presentation in the Statement of Comprehensive Income for compliance with the requirements of The Association of Investment Companies Statement of Recommended Practice (the "AIC SORP") as incorrect application could indicate a misstatement in income recognition.	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. We understood and assessed the design and implementation of key controls surrounding income recognition. We tested the accuracy of all dividend receipts by agreeing the dividend rates for 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. To test for completeness, we tested, for all investment holdings in the portfolio, that all dividends declared in the market for investment holdings had been recorded. We tested the allocation and presentation of dividend income between the revenue and capital return columns of the Statement of Comprehensive Income 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.

Independent auditors' report to the members of abrdn Asia Focus plc

Continued

Key audit matter	How our audit addressed the key audit matter
Valuation and existence of listed investments Refer to the Report of the Audit Committee, Accounting Policies and the Notes to the Financial Statements. The investment portfolio at 31 July 2024 comprised quoted investments of £565 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 the listed investments by agreeing the prices used in the valuation to independent third party sources. We tested the existence of listed investments by agreeing the holdings to an independent confirmation from the Depositary, BNP Paribas SA, London Branch, as at 31 July 2024. 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.

The impact of climate risk on our audit

In planning our audit, we made enquiries of the Directors to understand the extent of the potential impact of climate change risk on the Company's financial statements. The Directors concluded that the impact on the measurement and disclosures within the financial statements is not material because majority of Company's investment portfolio is made up of level 1 quoted securities which are valued at fair value based on market prices. We found this to be consistent with our understanding of the Company's investment activities. We also considered the consistency of the climate change disclosures included in the Strategic Report with the financial statements and our knowledge from our audit.

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	£5,022,000 (2023: £4,857,000).
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% (2023: 75%) of overall materiality, amounting to £3,766,500 (2023: £3,642,000) 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 £251,100 (2023: £242,000) 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 the wider macroeconomic 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 Net Asset Value (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

Independent auditors' report to the members of abrdn Asia Focus plc

Continued

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 2024 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, included within the Corporate Governance section within the Directors' Report 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 the 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 revenue (investment income and capital gains) or to increase net asset value. Audit procedures performed by the engagement team included:

Independent auditors' report to the members of abrdn Asia Focus plc

Continued

- 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 and the Board of Directors;
- assessment of the Company's compliance with the requirements of section 1158 of the Corporation Tax Act 2010;
- identifying and testing year-end journal entries, in particular any material or revenue-impacting manual journal entries posted as part of the Annual Report preparation process; and
- designed audit procedures to incorporate unpredictability around the nature, timing or extent of our testing.

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 four years, covering the years ended 31 July 2021 to 31 July 2024.

Gillian Alexander (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
23 October 2024

Statement of Comprehensive Income

		Year ended 31 July 2024			Year ended 31 July 2023		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	10	–	39,271	39,271	–	25,318	25,318
Income	3	17,272	–	17,272	19,984	–	19,984
Exchange losses		–	(1,052)	(1,052)	–	(384)	(384)
Investment management fees	4	(769)	(2,307)	(3,076)	(753)	(2,259)	(3,012)
Administrative expenses	5	(1,306)	–	(1,306)	(1,312)	(16)	(1,328)
Net return before finance costs and taxation		15,197	35,912	51,109	17,919	22,659	40,578
Finance costs	6	(501)	(1,504)	(2,005)	(501)	(1,502)	(2,003)
Net return before taxation		14,696	34,408	49,104	17,418	21,157	38,575
Taxation	7	(1,407)	(10,372)	(11,779)	(1,279)	(2,107)	(3,386)
Net return after taxation		13,289	24,036	37,325	16,139	19,050	35,189
Return per share (pence):	9						
Basic		8.59	15.53	24.12	10.29	12.14	22.43
Diluted		8.08	14.77	22.85	9.66	11.65	21.31

For the year ended 31 July 2024 the conversion option for potential Ordinary shares within the Convertible Unsecured Loan Stock was dilutive to the revenue and capital return per Ordinary share (2023 – dilutive to revenue and capital return).

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 2024 £'000	As at 31 July 2023 £'000
Non-current assets			
Investments at fair value through profit or loss	10	**564,797**	549,672
Current assets			
Debtors and prepayments	11	**3,808**	2,237
Cash and cash equivalents		**12,703**	5,807
		16,511	8,044
Creditors: amounts falling due within one year			
Other creditors	12	**(2,483)**	(1,250)
2.25% Convertible Unsecured Loan Stock 2025	12	**(36,368)**	–
		(38,851)	(1,250)
Net current (liabilities)/assets		**(22,340)**	6,794
Total assets less current liabilities		**542,457**	556,466
Non-current liabilities			
Creditors: amounts falling due after more than one year			
2.25% Convertible Unsecured Loan Stock 2025	13	**–**	(36,175)
3.05% Senior Unsecured Loan Note 2035	13	**(29,906)**	(29,898)
Deferred tax liability on Indian capital gains	13	**(10,291)**	(4,609)
		(40,197)	(70,682)
Net assets		**502,260**	485,784
Capital and reserves			
Called up share capital	14	**10,436**	10,435
Capital redemption reserve		**2,062**	2,062
Share premium account		**60,495**	60,441
Equity component of 2.25% Convertible Unsecured Loan Stock 2025	13	**1,057**	1,057
Capital reserve	15	**409,798**	393,238
Revenue reserve		**18,412**	18,551
Total shareholders' funds		**502,260**	485,784
Net asset value per share (pence):			
Basic	16	**326.94**	310.49
Diluted	16	**324.26**	308.93

The financial statements were approved by the Board of Directors and authorised for issue on 23 October 2024 and were signed on behalf of the Board by:

Krishna Shanmuganathan
Chair

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

Statement of Changes in Equity

For the year ended 31 July 2024

	Note	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Equity Component CULS 2025 £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 August 2023		10,435	2,062	60,441	1,057	393,238	18,551	485,784
Conversion of 2.25% CULS 2025	12, 13	1	–	54	–	–	–	55
Purchase of own shares to treasury	14	–	–	–	–	(7,476)	–	(7,476)
Net return after taxation		–	–	–	–	24,036	13,289	37,325
Dividends paid	8	–	–	–	–	–	(13,428)	(13,428)
Balance at 31 July 2024		10,436	2,062	60,495	1,057	409,798	18,412	502,260

For the year ended 31 July 2023

	Note	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Equity Component CULS 2025 £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 August 2022		10,435	2,062	60,428	1,057	375,450	14,964	464,396
Conversion of 2.25% CULS 2025	13	–	–	13	–	–	–	13
Purchase of own shares to treasury	14	–	–	–	–	(1,262)	–	(1,262)
Net return after taxation		–	–	–	–	19,050	16,139	35,189
Dividends paid	8	–	–	–	–	–	(12,552)	(12,552)
Balance at 31 July 2023		10,435	2,062	60,441	1,057	393,238	18,551	485,784

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

Statement of Cash Flows

	Notes	Year ended 31 July 2024 £'000	Year ended 31 July 2023 £'000
Cash flows from operating activities			
Net return before finance costs and tax		**51,109**	40,578
Adjustments for:			
Dividend income	3	**(16,802)**	(19,798)
Interest income	3	**(470)**	(186)
Dividends received		**16,561**	20,094
Interest received		**459**	169
Interest paid		**(1,758)**	(1,743)
Gains on investments	10	**(39,271)**	(25,318)
Foreign exchange movements		**1,052**	384
Decrease/(increase) in prepayments		**3**	(5)
Increase in other debtors		**(2)**	(15)
Increase/(decrease) in other creditors		**31**	(1,621)
Stock dividends included in investment income		**–**	(25)
Overseas withholding tax suffered	7	**(1,509)**	(1,432)
Net cash inflow from operating activities		**9,403**	11,082
Cash flows from investing activities			
Purchase of investments		**(199,205)**	(76,870)
Sales of investments		**223,289**	76,321
Capital (losses)/gains tax on sales		**(4,690)**	–
Net cash inflow/(outflow) from investing activities		**19,394**	(549)
Cash flows from financing activities			
Purchase of own shares for treasury		**(7,421)**	(1,261)
Equity dividends paid	8	**(13,428)**	(12,552)
Net cash outflow from financing activities		**(20,849)**	(13,813)
Increase/(decrease) in cash and cash equivalents		**7,948**	(3,280)
Analysis of changes in cash and short term deposits			
Opening balance		**5,807**	9,471
Increase/(decrease) in cash and short term deposits		**7,948**	(3,280)
Foreign exchange movements		**(1,052)**	(384)
Closing balance		**12,703**	5,807
Represented by:			
Money market funds		**8,486**	–
Cash and short term deposits		**4,217**	5,807
		12,703	5,807

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

Notes to the Financial Statements

For the year ended 31 July 2024

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**. 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 July 2022. 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.

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 is mindful that the Convertible Unsecured Loan Stock 2025 ("CULS") is due to mature on 31 May 2025. The Board expects to be able to refinance the CULS if desired, by arranging a new bank facility, drawing down under the Loan Note Shelf Facility or by arranging alternative finance. In the event that the Board chooses not to refinance the maturing CULS the Board and Manager will repay the CULS from portfolio sales. To this end the Manager has conducted stress testing on the portfolio covering reasonably possible downside market scenarios with attention on the resulting liquidity of the portfolio. The plausible downside scenarios modelled include historical market events including the Chinese Devaluation, COVID-19 and other similar shocks and resulted in a reduction in portfolio valuation of up to 27.5% in the worst case which would not impact any future plans to redeem of the CULS or the business model of the Company.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report on pages 20 and 21 and they believe that the Company has adequate financial resources to continue its operational existence for a period of 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 potentially less favourable market conditions. The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year and considered the Company's Statement of Financial Position as at 31 July 2024 which shows net current liabilities of £22.3 million at that date, and do not consider this to be a concern due to the liquidity of the portfolio which would enable the Company to meet any short term liabilities if required. 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.

Notes to the Financial Statements
Continued

(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. The Company charges 25% of finance charges to revenue and 75% to capital.

(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

– 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.

(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.

Gains and losses on sale of investments purchased and sold in India after 1 April 2017 are liable to capital gains tax in India. At each year end date, a provision for capital gains tax is calculated based upon the Company's realised and unrealised gains and losses. There are two rates of tax: short-term and long-term. The short-term rate of tax is applicable to investments held for less than 12 months and the long-term rate of tax is applicable to investments held for more than twelve months. The provision is recognised in the Statement of Financial Position and the year-on-year movement in the provision is recognised in the Statement of Comprehensive Income.

(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 (2023 – 5p). 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.

Notes to the Financial Statements

Continued

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 2024 may not be available at the time of any future distribution due to movements between 31 July 2024 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 35.

3. Income

	2024 £'000	2023 £'000
Income from investments		
Overseas dividends	**16,007**	19,055
UK dividend income	**795**	718
Stock dividends	**–**	25
	16,802	19,798
Other income		
Deposit interest	**150**	186
Interest from money market funds	**320**	–
	470	186
Total income	**17,272**	19,984

4. Investment management fees

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fees	**769**	**2,307**	**3,076**	753	2,259	3,012

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").

The management fee is 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. 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 £534,000 (2023 – £506,000) which represents two months' fees (2023 – 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.

5. Administrative expenses

	2024 £'000	2023 £'000
Administration fees[A]	**119**	112
Directors' fees[B]	**173**	161
Promotional activities[C]	**210**	219
Auditors' remuneration[D]		
– fees payable to the auditors for the audit of the annual financial statements	**52**	48
Custodian charges	**364**	278
Depositary fees	**49**	46
Registrar fees	**43**	55
Legal and professional fees	**57**	93
Other expenses	**239**	300
	1,306	1,312

[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 £60,000 (2023 – £86,000). 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 £210,000 (2023 – £219,000). There was a £173,000 (2023 – £73,000) balance due to abrdn plc at the year end.

[D] There are no non-audit fees charged.

Notes to the Financial Statements

Continued

6. Finance costs

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Bank interest paid	**5**	**15**	**20**	1	2	3
Interest on 3.05% Senior Unsecured Loan Note 2035	**231**	**692**	**923**	230	691	921
Interest on 2.25% CULS 2025	**203**	**611**	**814**	208	623	831
Notional interest on 2.25% CULS 2025	**39**	**115**	**154**	39	115	154
Amortisation of 2.25% CULS 2025 issue expenses	**23**	**71**	**94**	23	71	94
	501	**1,504**	**2,005**	501	1,502	2,003

Finance costs have been charged 25% to revenue and 75% to capital.

7. Taxation

		2024			2023		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a)	**Analysis of charge for the year**						
	Indian capital gains tax charge on sales	**–**	**4,690**	**4,690**	–	–	–
	Overseas taxation	**1,407**	**–**	**1,407**	1,279	182	1,461
	Total current tax charge for the year	**1,407**	**4,690**	**6,097**	1,279	182	1,461
	Deferred tax charge on Indian capital gains	**–**	**5,682**	**5,682**	–	1,925	1,925
	Total tax charge for the year	**1,407**	**10,372**	**11,779**	1,279	2,107	3,386

The Company has recognised a deferred tax liability of £10,291,000 (2023 – £4,609,000) on capital gains which may arise if Indian investments are sold. The Company has not provided for UK deferred tax on any realised and unrealised gains or losses of investments as it is exempt from UK tax on these items due to its status as an investment trust company.

At 31 July 2024 the Company had surplus management expenses and loan relationship deficits of £82,534,000 (2023 – £76,652,000) 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 £20,634,000 (2023 – £19,163,000).

(b) **Factors affecting the tax charge for the year**. The tax assessed for the year is the current standard rate of corporation tax in the UK for a large company of 25% (2023 – lower). The differences are explained below:

	2024			2023		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return before taxation	**14,696**	**34,408**	**49,104**	17,418	21,157	38,575
Return multiplied by the standard tax rate of corporation tax of 25% (2023 – effective rate of 21%)	**3,674**	**8,602**	**12,276**	3,658	4,443	8,101
Effects of:						
Gains on investments not taxable	**–**	**(9,818)**	**(9,818)**	–	(5,317)	(5,317)
Exchange losses	**–**	**263**	**263**	–	81	81
Overseas tax	**1,407**	**–**	**1,407**	1,279	182	1,461
Movement in deferred tax liability on Indian capital gains	**–**	**5,682**	**5,682**	–	1,925	1,925
Indian capital gains tax charged on sales	**–**	**4,690**	**4,690**	–	–	–
UK dividend income	**(199)**	**–**	**(199)**	(151)	–	(151)
Non-taxable dividend income	**(4,002)**	**–**	**(4,002)**	(4,007)	–	(4,007)
Expenses not deductible for tax purposes	**9**	**–**	**9**	4	3	7
Movement in unutilised management expenses	**634**	**577**	**1,211**	391	474	865
Movement in unutilised loan relationship deficits	**(116)**	**376**	**260**	105	316	421
Total tax charge for the year	**1,407**	**10,372**	**11,779**	1,279	2,107	3,386

8. Dividends

	2024 £'000	2023 £'000
Third interim dividend for 2023 – 1.6p (2022 – 1.6p)	–	2,511
Fourth interim dividend for 2023 – 1.61p (2022 – nil)	**2,515**	–
Special dividend for 2023 – 2.25p (2022 – 1.6p)	**3,498**	2,511
First interim dividend for 2024 – 1.6p (2023 – 1.6p)	**2,488**	2,511
Second interim dividend for 2024 – 1.6p (2023 – 1.6p)	**2,466**	2,511
Third interim dividend for 2024 – 1.6p (2023 – 1.6p)	**2,461**	2,508
	13,428	12,552

Dividends declared and paid subsequent to the year end are not included as a liability in the financial statements.

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 £13,289,000 (2023- £16,139,000).

	2024 £'000	2023 £'000
First interim dividend for 2024 – 1.6p (2023 – 1.6p)	**2,488**	2,511
Second interim dividend for 2024 – 1.6p (2023 – 1.6p)	**2,466**	2,511
Third interim dividend for 2024 – 1.6p (2023 – 1.6p)	**2,461**	2,508
Fourth interim dividend for 2024 – 1.62p (2023 – 1.61p)	**2,488**	2,515
Proposed special dividend for 2024 – 1.00p (2023 – 2.25p)	**1,513**	3,498
	11,416	13,543

The amount reflected above for the cost of the special dividend for 2024 is based on 151,254,218 Ordinary shares, being the number of Ordinary shares in issue excluding shares held in treasury at the date of this Report.

9. Return per share

	2024			2023		
	Revenue	Capital	Total	Revenue	Capital	Total
Basic						
Net return after taxation (£'000)	**13,289**	**24,036**	**37,325**	16,139	19,050	35,189
Weighted average number of shares in issue[A]			**154,769,839**			156,862,299
Return per share (p)	**8.59**	**15.53**	**24.12**	10.29	12.14	22.43

	2024			2023		
Diluted	Revenue	Capital	Total	Revenue	Capital	Total
Net return after taxation (£'000)	13,511	24,704	38,215	16,366	19,730	36,096
Weighted average number of shares in issue[AB]			167,264,923			169,366,591
Return per share (p)	8.08	14.77	22.85	9.66	11.65	21.31

[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 12,495,085 (2023 - 12,504,292) to 167,264,923 (2023 - 169,366,591) Ordinary shares.

For the year ended 31 July 2024 the assumed conversion for potential Ordinary shares was dilutive to the revenue and the capital return per Ordinary share (2023 - dilutive to the revenue return and the capital return). Where dilution occurs, the net returns are adjusted for interest charges and issue expenses relating to the CULS (2024 - £890,000; 2023 - £907,000). Total earnings for the period are tested for dilution. Once dilution has been determined individual revenue and capital earnings are adjusted.

10. Investments at fair value through profit or loss

	2024 £'000	2023 £'000
Opening book cost	**397,237**	377,733
Opening investment holding gains	**152,435**	147,108
Opening fair value	**549,672**	524,841
Analysis of transactions made during the year		
Purchases at cost	**200,360**	76,896
Sales proceeds received	**(224,506)**	(77,383)
Gains on investments	**39,271**	25,318
Closing fair value	**564,797**	549,672
Closing book cost	**407,225**	397,237
Closing investment gains	**157,572**	152,435
Closing fair value	**564,797**	549,672

	2024 £'000	2023 £'000
Investments listed on an overseas investment exchange	**550,046**	537,379
Investments listed on the UK investment exchange	**14,751**	12,293
	564,797	549,672

The Company received £224,506,000 (2023 - £77,383,000) from investments sold in the period. The book cost of these investments when they were purchased was £190,372,000 (2023 - £57,392,000). 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.

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

	2024 £'000	2023 £'000
Purchases	**257**	95
Sales	**446**	159
	703	254

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

	2024 £'000	2023 £'000
Amounts due from brokers for sales	**2,560**	1,343
Other debtors	**897**	754
Prepayments and accrued income	**351**	140
	3,808	2,237

None of the above amounts is past their due date or impaired (2023 – same).

12. Creditors: amounts falling due within one year

(a) Other creditors	2024 £'000	2023 £'000
Amounts due to brokers for purchases	**1,155**	–
Amounts due for the purchase of own shares to treasury	**56**	–
Other creditors	**1,272**	1,250
	2,483	1,250

	2024			2023		
(b) 2.25% CULS 2025	**Number of units £'000**	**Liability component £'000**	**Equity component £'000**	**Number of units £'000**	**Liability component £'000**	**Equity component £'000**
Balance at beginning of year	**36,629**	**36,175**	**1,057**	–	–	–
Conversion of 2.25% CULS 2025	**(55)**	**(55)**	**–**	–	–	–
Notional interest on CULS transferred to revenue reserve	**–**	**154**	**–**	–	–	–
Amortisation and issue expenses	**–**	**94**	**–**	–	–	–
Balance at end of year	36,574	36,368	1,057	–	–	–

The 2.25% CULS 2025 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 (2023 – 293.0p) nominal of CULS. Interest is payable on the CULS on 31 May and 30 November each year, commencing on 30 November 2018.

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 2024 the Company received elections from CULS holders to convert £54,939 (2023 – £12,753) nominal amount of CULS into 18,740 (2023 – 4,347) Ordinary shares.

The fair value of the 2025 CULS at 31 July 2024 was £35,441,000 (2023 – £34,890,000).

13. Non-current liabilities

	2024			2023		
(a) 2.25% CULS 2025	**Number of units £'000**	**Liability component £'000**	**Equity component £'000**	**Number of units £'000**	**Liability component £'000**	**Equity component £'000**
Balance at beginning of year	–	–	–	36,642	35,940	1,057
Conversion of 2.25% CULS 2025	–	–	–	(13)	(13)	–
Notional interest on CULS transferred to revenue reserve	–	–	–	–	154	–
Amortisation and issue expenses	–	–	–	–	94	–
Balance at end of year	–	–	–	36,629	36,175	1,057

The 2.25% CULS 2025 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 (2023 – 293.0p) nominal of CULS. Interest is payable on the CULS on 31 May and 30 November each year, commencing on 30 November 2018.

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 2024 the Company received elections from CULS holders to convert £54,939 (2023 – £12,753) nominal amount of CULS into 18,740 (2023 – 4,347) Ordinary shares.

The fair value of the 2025 CULS at 31 July 2024 was £35,441,000 (2023 – £34,890,000).

(b) Loan Note	2024 £'000	2023 £'000
3.05% Senior Unsecured Loan Note 2035	**30,000**	30,000
Unamortised Loan Note issue expenses	**(94)**	(102)
	29,906	29,898

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. There is also a shelf facility of £35,000,000 available to the Company for the purpose of repaying the CULS, which has not been unutilised. The shelf facility is uncommitted and subject to credit committee approval in advance of any drawing. 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 2024 was £27,112,000 (2023 – £26,603,000), the value being based on a comparable quoted debt security.

	2024 £'000	2023 £'000
(c) Deferred tax liability on Indian capital gains	**10,291**	4,609

14. Called up share capital

	2024 £'000	2023 £'000
Allotted, called-up and fully paid		
Ordinary shares of 5p (2023 – 5p)	**7,681**	7,823
Treasury shares	**2,755**	2,612
	10,436	10,435

	Ordinary shares Number	Treasury shares Number	Total shares Number
At 31 July 2023	156,457,978	52,244,590	208,702,568
Conversion of CULS	18,740	–	18,740
Buyback of own shares	(2,850,000)	2,850,000	–
At 31 July 2024	**153,626,718**	**55,094,590**	**208,721,308**

During the year 2,850,000 Ordinary shares of 5p were purchased (2023 – 500,000 Ordinary shares of 5p were purchased) by the Company at a total cost of £7,476,000 (2023 – total cost of £1,262,000), all of which were held in treasury. At the year end 55,094,590 (2023 – 52,244,590) shares were held in treasury, which represents 26.40% (2023 – 25.03%) of the Company's total issued share capital at 31 July 2024. During the year there were a further 18,740 (2023 – 4,347) Ordinary shares issued as a result of CULS conversions.

Since the year end the Company bought back for treasury a further 2,372,500 Ordinary shares for a total consideration of £6,809,000.

15. Reserves

	2024 £'000	2023 £'000
Capital reserve		
At 31 July 2023	**393,238**	375,450
Movement in investment holdings fair value	**5,137**	5,327
Gains on realisation of investments at fair value	**34,134**	19,991
Purchase of own shares to treasury	**(7,476)**	(1,262)
Movement in deferred liability on Indian capital gains	**(5,682)**	(1,925)
Capital gains tax on sales	**–**	(182)
Foreign exchange movement	**(1,052)**	(384)
Capital expenses	**(3,811)**	(3,777)
At 31 July 2024	**414,488**	393,238

The capital reserve includes investment holding gains amounting to £157,572,000 (2023 – £152,435,000) 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

	2024	2023
Basic		
Net assets attributable	**£502,260,000**	£485,784,000
Number of shares in issue[A]	**153,626,718**	156,457,978
Net asset value per share	**326.94p**	310.49p

	2024	2023
Diluted		
Net assets attributable	**£538,628,000**	£521,959,000
Number of shares in issue[A]	**166,109,558**	168,959,568
Net asset value per share[B]	**324.26p**	308.93p

[A] Calculated excluding shares held in treasury.

[B] The diluted net asset value per share has been calculated on the assumption that £36,574,720 (2023 - £36,629,659) 2.25% Convertible Unsecured Loan Stock 2025 ("CULS") is converted at 293.0p (2023 - 293.0p) per share, giving a total of 166,109,558 (2023 - 168,959,568) shares. Where dilution occurs, the net assets are adjusted for items relating to the CULS.

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 (2023 - 293.0p) per share. In such circumstances a net asset value is produced and disclosed assuming the convertible debt is fully converted. At 31 July 2024 the cum income NAV was 326.94p (2023 - 310.49p) and thus the CULS were 'in the money' (2023 - same).

17. Analysis of changes in net debt

	At 31 July 2023 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 July 2024 £'000
Cash and short term deposits	**5,807**	**(1,052)**	**7,948**	**-**	**12,703**
Debt due within one year	**-**	**-**	**-**	**(36,368)**	**(36,368)**
Debt due after more than one year	**(70,682)**	**-**	**-**	**30,485**	**(40,197)**
	(64,875)	**(1,052)**	**7,948**	**(5,883)**	**(63,862)**

	At 31 July 2022 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 July 2023 £'000
Cash and short term deposits	9,471	(384)	(3,280)	-	5,807
Debt due after more than one year	(68,516)	-	-	(2,166)	(70,682)
	(59,045)	(384)	(3,280)	(2,166)	(64,875)

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 and 57. The balance of fees due to Directors at the year end was £nil (2023 – £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.

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.

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 2024	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Sterling	–	–	–	11,295
Chinese Renminbi	–	–	–	985
Vietnam Dong	–	–	–	247
New Taiwan Dollar				155
Indian Rupee	–	–	–	20
US Dollar	–	–	–	1
	–	–	–	12,703
Liabilities				
2.25% Convertible Unsecured Loan Stock 2025	0.83	2.3	36,368	–
3.05% Senior Unsecured Loan Note 2035	11.34	3.1	29,906	–
	–	–	66,274	–

At 31 July 2023	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Sterling	–	–	–	4,664
Chinese Renminbi	–	–	–	775
Vietnam Dong	–	–	–	361
Thailand Baht	–	–	–	4
US Dollar	–	–	–	3
	–	–	–	5,807
Liabilities				
2.25% Convertible Unsecured Loan Stock 2025	1.83	2.3	36,175	–
3.05% Senior Unsecured Loan Note 2035	12.35	3.1	29,898	–
	–	–	66,073	–

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.

Foreign currency risk exposure by currency of denomination:

	31 July 2024			31 July 2023		
	Overseas investments £'000	Net monetary assets/ (liabilities) £'000	Total currency exposure £'000	Overseas Investments £'000	Net monetary assets/ (liabilities) £'000	Total currency exposure £'000
Chinese Renminbi	**23,653**	**985**	**24,638**	21,839	775	22,614
Danish Krona		**–**	**–**	10,937	–	10,937
Hong Kong Dollar	**45,564**	**–**	**45,564**	49,118	–	49,118
Indian Rupee	**159,012**	**20**	**159,032**	89,410	–	89,410
Indonesian Rupiah	**53,552**	**–**	**53,552**	64,045	–	64,045
Korean Won	**53,366**	**–**	**53,366**	46,231	–	46,231
Malaysian Ringgit	**18,784**	**–**	**18,784**	30,827	–	30,827
New Taiwan Dollar	**81,434**	**155**	**81,589**	69,008	–	69,008
New Zealand Dollar	**6,727**	**–**	**6,727**	12,605	–	12,605
Philippine Peso	**19,012**	**–**	**19,012**	20,287	–	20,287
Singapore Dollar	**2,290**	**–**	**2,290**	33,221	–	33,221
Sri Lankan Rupee	**13,801**	**–**	**13,801**	14,586	–	14,586
Thailand Baht	**22,347**	**–**	**22,347**	32,643	4	32,647
US Dollar	**10,073**	**1**	**10,074**	11,461	3	11,464
Vietnamese Dong	**40,431**	**247**	**40,678**	31,161	361	31,522
	550,046	**1,408**	**551,454**	537,379	1,143	538,522
Sterling	**14,751**	**(54,979)**	**(40,228)**	12,293	(61,409)	(49,116)
Total	**564,797**	**(53,571)**	**511,226**	549,672	(60,266)	489,406

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 103 and 104, 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% (2023 – 20%) higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 July 2024 would have increased/(decreased) by £112,959,000 (2023 – increased/(decreased) by £109,934,000) 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 2024 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 16.

Liquidity risk exposure. At 31 July 2024 the Company had borrowings in the form of the £36,574,000 (2023 – £36,629,000) nominal of 2.25% Convertible Unsecured Loan Stock 2025 and £29,906,000 (2023 – £29,898,000) in the form of the 3.05% Senior Unsecured Loan Note 2035.

At 31 July 2024 the amortised cost of the Company's 3.05% Senior Unsecured Loan Note 2035 was £29,906,000 (2023 – £29,898,000). The maximum exposure at 31 July 2024 was £29,906,000 (2023 – £29,898,000) and the minimum exposure at 31 July 2024 was £29,898,000 (2023 – £29,892,000).

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

31 July 2024	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	**37,053**	**–**	**37,053**	**–**
3.05% Senior Unsecured Loan Note 2035	**40,523**	**–**	**915**	**39,608**
	77,576	**–**	**37,968**	**39,608**

31 July 2023	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	37,691	–	827	36,864
3.05% Senior Unsecured Loan Note 2035	41,438	–	915	40,523
	79,129	–	1,742	77,387

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:

	2024		2023	
Current assets	**Statement of Financial Position £'000**	**Maximum exposure £'000**	**Statement of Financial Position £'000**	**Maximum exposure £'000**
Debtors and prepayments	**3,808**	**3,808**	2,237	2,237
Cash and short term deposits	**12,703**	**12,703**	5,807	5,807
	16,511	**16,511**	8,044	8,044

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 £27,112,000 as at 31 July 2024 (2023 – £26,603,000) compared to a value at amortised cost in the financial statements of £29,906,000 (2023 – £29,898,000) (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 2024 as follows:

As at 31 July 2024	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)	**562,138**	**–**	**–**	**562,138**
Quoted preference shares	b)	**–**	**–**	**2,438**	**2,438**
Quoted warrants	b)	**–**	**221**	**–**	**221**
Net fair value		**562,138**	**221**	**2,438**	**564,797**

As at 31 July 2023	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)	536,515	–	9,958	546,473
Quoted preference shares	b)	–	–	2,835	2,835
Quoted warrants	b)	–	247	117	364
Net fair value		536,515	247	12,910	549,672

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 2024 £'000**	**Year ended 31 July 2023 £'000**
Opening fair value	**12,910**	9,664
Transfer to level 1	**(9,958)**	–
Transfers from level 2	**–**	2,952
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	**(514)**	294
Closing balance	**2,438**	12,910

The Company's investee, CEBU Holdings received final regulatory approval to merge with another company, Ayala Land, during the year and new shares were issued in Ayala Land to satisfy the transaction by a share conversion. The valuation methodology previously employed was based on the underlying quoted price of Ayala Land and the implied conversion ratio providing a value of £9,958,000 at the previous year end, 31 July 2023. As a result, a transfer of £9,958,000 has been made from level 3 to level 1.

Transfers from level 2 during 2023 comprise Millennium & Copthorne preference shares of £2,835,000 to reflect the absence of a consistent market quote. These have been priced in line with their Ordinary shares and valued at £2,438,000 at the current year end. In addition First Sponsor Group warrants of £117,000 have been classified as level 3 to reflect their illiquidity. Their fair value has been based on a trade executed in February 2023 and the holding was sold during the year.

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:

	2024 £'000	2023 £'000
Equity		
Equity share capital	**10,436**	10,435
Reserves	**491,824**	475,349
Liabilities		
3.05% Senior Unsecured Loan Note 2035	**29,906**	29,898
2.25% Convertible Unsecured Loan Stock 2025	**36,368**	36,175
	568,534	551,857

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.

	2024 £'000	2023 £'000
Investments at fair value through profit or loss	**564,797**	549,672
Current assets excluding cash and cash equivalents	**1,248**	894
Current liabilities	**(1,328)**	(1,250)
Deferred tax liability on Indian capital gains	**(10,291)**	(4,609)
	554,426	544,707
Shareholders' funds	**502,260**	485,784
Gearing (%)	**10.4**	12.1

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.

Alternative Performance Measures (Unaudited)

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. 2024 has been presented on a diluted basis as the Convertible Unsecured Loan Stock ("CULS") is "in the money" (2023 – same).

		As at 31 July 2024	As at 31 July 2023
NAV per Ordinary share (p)	a	**324.26**	308.93
Share price (p)	b	**278.00**	264.00
Discount	(a-b)/a	**14.3%**	14.5%

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 2024	Year ended 31 July 2023
Revenue return per Ordinary share (p)	a	**8.59**	10.29
Dividends declared (p)	b	**6.42**	8.66
Dividend cover	a/b	**1.34**	1.19

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 2024	Year ended 31 July 2023
Borrowings (£'000)	a	**66,274**	66,073
Cash and short term deposits (£'000)	b	**12,703**	5,807
Amounts due to brokers (£'000)	c	**1,155**	–
Amounts due from brokers (£'000)	d	**2,560**	1,343
Shareholders' funds (£'000)	e	**502,260**	485,784
Net gearing	(a-b+c-d)/e	**10.4%**	12.1%

Alternative Performance Measures (Unaudited)

Continued

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.

	2024	2023
Investment management fees (£'000)	**3,076**	3,012
Administrative expenses (£'000)	**1,306**	1,328
Less: non-recurring charges[A] (£'000)	**(32)**	(67)
Ongoing charges (£'000)	**4,350**	4,273
Average net assets (£'000)	**488,772**	462,127
Ongoing charges ratio	**0.89%**	0.92%

[A] Professional fees comprising corporate and legal fees considered unlikely to recur.

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 2024		**NAV**	**Share Price**
Opening at 1 August 2023	a	**308.93p**	264.00p
Closing at 31 July 2024	b	**324.26p**	278.00p
Price movements	c=(b/a)-1	**5.0%**	5.3%
Dividend reinvestment[A]	d	**2.9%**	3.5%
Total return	c+d	**+7.9%**	+8.8%

Year ended 31 July 2023		**NAV**	**Share Price**
Opening at 1 August 2022	a	**295.25p**	254.00p
Closing at 31 July 2023	b	**308.93p**	264.00p
Price movements	c=(b/a)-1	**4.6%**	3.9%
Dividend reinvestment[A]	d	**3.0%**	3.4%
Total return	c+d	**+7.6%**	+7.3%

[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 £505.9 billion as at 30 June 2024

Information about the Investment 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 £505.9 billion (as at 30 June 2024) in assets under management and administration for a range of clients, including individuals and institutions, through mutual and segregated funds.

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

The Investment Team Senior Managers

Gabriel Sacks

Investment Director, Equities Asia

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

Xin-Yao Ng

Investment Director, Equities Asia

CFA Charterholder, BSc in Business from Nanyang Technological University. Xin-Yao is based in Singapore and joined the abrdn Group in 2018 from Allard Partners

Flavia Cheong

Head of Equities – Asia Pacific, Asian Equities

CFA Charterholder, 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.

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The Investment Process

Investment Approach and Style

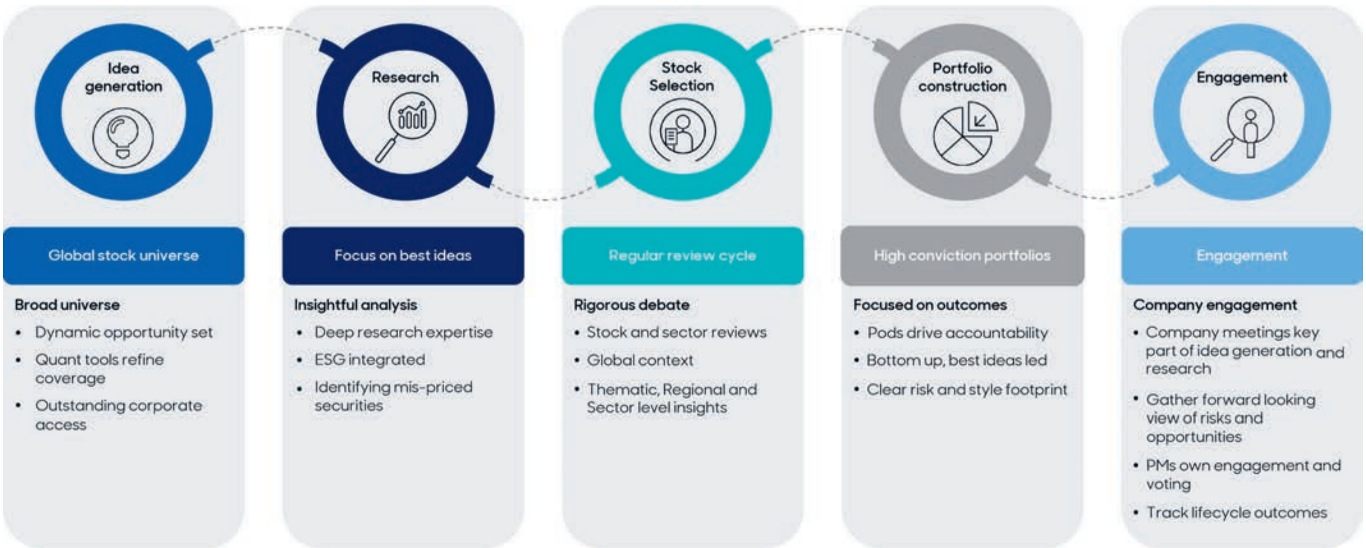
As active equity investors, the Investment Manager believes that deep fundamental research, responsible stewardship and a disciplined investment process is the best approach to meet our client's investment needs – now and in the future. Its approach to equity investing is underpinned by three core investment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

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 this approach can help to identify and avoid risks

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.

Investment Process



The Investment Process

Continued

The investment process has five stages:

1. **Idea Generation:** Comprehensive coverage of the broad global universe with a team of analysts generating investment ideas from company meetings, combined with corroborating evidence from competitors, suppliers and customers. We will also use quant tools to refine coverage.
2. **Research** The market implicitly embeds a lot of information in a stock price, and we take time to understand and interpret this as we build our own views about the outlook of companies and the way the market is likely to value them in the future. Our in-depth analysis of a company's financials and business prospects helps us formulate a forward-looking view of earnings and cash flow trajectories, and we apply a variety of forward looking multiples in comparing valuations with competitors and across industries and markets. To fully leverage the benefits of our considerable research resource, our equity teams use a common investment language and research framework that structures how we express our thinking on companies. This facilitates the effective and unambiguous articulation of research insights. External research is also utilised to gain insight on the consensus view and supplement proprietary research. ESG considerations are integrated throughout the research process with each stock receiving an ESG score alongside an overall quality score.
3. **Stock and sector review:** Buy ideas are peer reviewed by the Developed Markets equity team, evaluating the level of conviction and the materiality, corroboration and correlation of those investment opportunities.
4. **Portfolio Construction:** Portfolio construction is bottom-up driven, focused on investing in companies that pass our rigorous quality assessment, are attractively valued, and have appealing income characteristics. The largest component of the fund's active risk will be stock-specific with appropriate diversification across a broad range of countries and sectors. We sell a stock if it has come to reflect all the upside we expect and now prices in our view of the fundamentals. We will also sell if our investment thesis has played out or is proved wrong, or if we find more interesting opportunities elsewhere. Continuous monitoring of company fundamentals and valuation is critical and we use a variety of proprietary and external quantitative tools to support portfolio construction. Quality is defined by reference to factors including management, business model, balance sheet and ESG considerations.

   The Investment Manager believes that good investment decision making requires clarity of responsibility for those decisions. Every stock in the portfolio has a named analyst responsible for its coverage, and every portfolio has a named fund manager responsible for its management. The individual portfolio managers make those decisions supported and challenged by the team, but accountability for the final decision is clear.
5. **Engagement:** The Investment Manager is committed to regular, ongoing engagement with the companies in which it invests, to help to maintain and enhance all areas of their performance including 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. These meetings provide an opportunity to discuss various relevant 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 risks, including those that are ESG related. 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.

Responsible Investment and Engagement

ESG considerations

Although the Company does not have sustainability characteristics as part of its investment objective or policy, ESG analysis is integrated into each part of the Investment Manager's investment process outlined above and is integral to each investment decision.

At the investment stage, ESG factors and analysis can 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.

abrdn Group has a well-established central sustainability team which supports investment teams across different asset classes with its thematic work on areas such as shareholder engagement, remuneration issues, and climate change, as well as taking responsibility for voting policies. abrdn Group believes in active engagement with its investments and potential investments: from providing initial guidance on suitable metrics through to holding the investee company to account for delivering on its promises. In practice, it is through applying this sustainability filter that the Investment Manager would be comfortable investing in, for example, sectors such as mining and oil and gas, subject to the belief, based on such engagement and investee companies delivering on their commitments, that a company is taking the necessary action to address the energy transition.

The investment process also leverages a wealth of knowledge, insight and expertise across asset classes and regions within abrdn. This allows the Investment Manager to take advantage of equity colleagues across Asia who are meeting companies and conducting research and sharing their insights using one common global research platform. This is invaluable when investing in the Asian equity market. Corporate level insights are shared with the credit team which enriches the equity view through an understanding of the full capital structure of the businesses invested in. Members of the Investment Manager's multi-asset and economics teams regularly share macro level insights with the Developing Markets equity team.

Risk Management

The Investment Manager utilises a number of quantitative risk tools to ensure it is fully aware of and understand all the risks prevalent in portfolios it manages. These risk management systems monitor and analyse active risk, the composition of portfolio positions, as well as contribution to risk and marginal contribution to risk of the portfolio's holdings. The systems break down the risk within the portfolio by industry and country factors, and highlight the stocks with the highest marginal contribution to risk and the largest diversification benefit. Sector, thematic and geographical positions are a residual of stock selection decisions, but are monitored to ensure excessive risk is not taken in any one area. The Investment Manager also makes use of pre-trade analytics to assess the impact of any trades on the portfolio risk metrics.

In addition, 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.

Responsible Investment and Engagement

Continued

Environmental, Social and Governance ("ESG") Engagement

This section of the Annual Report aims to present more information on the Investment Manager's approach to integrating ESG considerations into its investment decision-making and the implications for the Company.

The Board is very conscious of the risks emanating from increased ESG challenges. 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 considers ESG criteria as part of the research process for each asset class and as part of the investment process. ESG investment is about active engagement that can help us determine how the assets may perform over the longer term.

Currently, the Company's portfolio is ESG BBB rated by MSCI, as is the Benchmark. The Company's portfolio Economic Emission Intensity is only 25.6% of its benchmark.

BBB	**74.4%**	**68**	**18.5%**	**100%**
BBB rated by MSCI ESG	Lower carbon intensity than the benchmark	Engagements with portfolio companies during the year	Average Return On Equity of portfolio companies (versus benchmark average 10.7%)	of researched companies include integration of ESG company analysis

The importance of ESG research in small-cap investing

When it comes to analysing and assessing the ESG of potential investments, the Investment Manager has an ESG team and screening process and takes ESG into consideration as part of its decision making, even though it is not integral to the Company's objective. The process focuses upon careful and rigorous due diligence, rather than a reliance on publicly disclosed information. 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.

Many of the companies in which the Company invests are founder-run. The Investment Manager believes that investing alongside talented, hard-working and ambitious founders provides a powerful opportunity for long-term performance. However, the Investment Manager is also aware that smaller, founder-led companies tend to have ESG disclosures that are sometimes less sophisticated than their larger peers, and so can perform less well than their large cap peers when it comes to third-party ESG ratings. Such companies often don't have experience with disclosure requirements, or the resources necessary, to disclose everything that is increasingly expected of them. This is particularly true in Asia.

Furthermore, many of these third party ratings agencies tend to score founder-led companies poorly, concerned about the influence of a single person. Whilst this can indeed be a risk, the Investment Manager is of the view that backing a talented, hard-working and ambitious founder, whilst also ensuring that a strong and experienced board is in place to provide checks and balances, is the right course of action. So whilst many see this founder-led structure as a risk, the Investment Manager sees an opportunity. Of course, the focus for the Investment Manager is on choosing the *right* individual, who will grow the undertaking equitably and sustainably, and who will treat all shareholders fairly.

When it comes to small-cap investing, much of the box-ticking approach to ESG undertaken in the public realm is neither accurate nor helpful when forming a view of the relative merits of an investment. It is for this reason that the Investment Manager focusses on an active investment approach, coupled with deep due diligence and on-the-ground research. Once invested, the Investment Manager plays a role in engaging with management to improve disclosure and support positive change

Importance of Engagement

Engagement is an important part of our investment process: the Investment Manager sees engagement not only as a right but as an obligation of investors, as owners of companies. The Investment Manager engages actively and regularly with companies in which the Company invests or may become an investor, and believes that informed and constructive engagement helps to foster better companies, enhancing the value of the Company's investments.

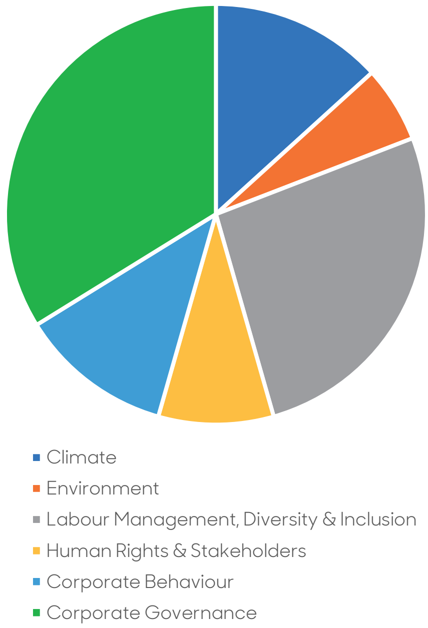
Active engagement involves regular, candid communication with management teams (or boards of directors) of portfolio companies to discuss a broad range of issues that are material to sustainable long-term returns, either positively or negatively, including both risks and opportunities. The Investment Manager's focus is on the factors which it believes to have the greatest potential to enhance or undermine the investment case. Sometimes the Investment Manager is seeking more information, exchanging views on specific issues, and encouraging better disclosure; and at other times, encouraging change (including either corporate strategy, capital allocation, or climate change strategy). Engagements cover a range of issues, including but not limited to board composition, remuneration, audit, climate change, labour issues, human rights, bribery and corruption.

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. During the period under review the breadth of issues covered in ESG specific company engagements for the Company covered Climate Change (including air quality and energy management), Environment (including waste and waste management, and supply chain management), Labour Management (including health and safety), Human Risk & Stakeholders, Corporate Behaviour (including Practices and Processes) and Corporate Governance.

Engagement Activity

The Investment Manager regularly engages with companies in which the Company invests. The below shows the engagements that have included responsible investment themes. This does not include positions the Investment Manager has sold out of or is considering investing in. Below are the themes engaged on during the year.

ESG Category



ESG Category	% *
Climate	9
Environment	4
Labour Management, Diversity & Inclusion	18
Human Rights & Stakeholders	6
Corporate Behaviour	8
Corporate Governance	23

* a single meeting can have multiple topics

Voting Activity

The Investment Manager draws on expertise across desks and throughout the firm to vote consistently in line with the abrdn Group voting policy. Time period referenced is 12 months to 31 August 2024:

Our Voting Activity

Voting Summary	Total
How many meetings did you vote at?	86
How many resolutions did you vote on for which you were eligible?	593
Of the resolutions on which you voted, how many did you vote with management?	538
Of the resolutions on which you voted, how many did you vote against management?	40
Of the resolutions on which you voted, how many did you abstain from voting?	4

While abrdn Group will typically vote in line with an investee board's voting recommendation, it will vote against resolutions that are not consistent with the Company's best interests. For example, abrdn Group may vote against resolutions which are not aligned with its policies or which conflict with local governance guidelines, such as the Investment Association in the UK. Although the Investment Manager seeks to vote either 'in favour' or 'against' a resolution, it does make use of an abstain vote where this is considered appropriate. The Investment Manager aims to vote at all eligible meetings unless share blocking (which can be a feature of voting in non-UK jurisdictions) makes this unviable

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.com**).

You can also register for regular email updates by visiting **asia-focus.co.uk** or by activating the QR Code below using the camera on your smart phone:

SCAN ME

abrdn Group Social Media Accounts

@abrdn Investment Trusts

@abrdnTrusts

Investor Warning

The Board has been made aware by abrdn Group that some investors have received telephone calls from people purporting to work for the Manager, 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 Group and any third party making such offers has no link with abrdn Group. abrdn Group never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information and end the call.

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**.

Suitable for Retail/NMPI Status

The Company's securities are intended for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who are wanting to benefit from the growth prospects of Asian smaller companies by investment in a relatively risk averse investment trust and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that its securities can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's (FCA) rules in relation to non-mainstream pooled investments (NMPIs) and intends to continue to do so for the foreseeable future. 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.

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found in the 'Literature Library' section of the Company's website: **asia-focus.co.uk**.

Investor Information

Continued

How to invest in abrdn Asia Focus plc and other abrdn managed investment trusts

A range of leading investment platforms and share dealing services let you buy and sell abrdn-managed investment trusts including abrdn Asia Focus plc.

Many of these platforms operate on an 'execution-only' basis. This means they can carry out your instruction to buy or sell a particular investment trust. But they may not be able to advise on suitable investments for you. If you require advice, please speak to a qualified financial adviser (see below).

A note about the abrdn Investment Trust Savings Plans (the 'Plans')

The abrdn Investment Trusts ISA, Share Plan and Investment Plan for Children (the "Plans") closed in December 2023. All investors with a holding or cash balance in the Plans at that date transferred to interactive investor ("ii"), an abrdn Group company. ii communicated with Plan holders in late November 2023 to set up account security to ensure that investors would continue to access their holdings via ii following the closure of the Plans.

Former abrdn Plan holders should contact ii for any ongoing support with their ii accounts on 0345 646 1366, or +44 113 346 2309 if calling from outside the UK. Lines are open 8.00am to 5.00pm Monday to Friday. Alternatively, Plan holders can access the website at **ii.co.uk/abrdn-welcome**.

Platform providers

Platforms featuring abrdn Group managed investment trusts include:

interactive investor — **www.ii.co.uk/investment-trusts**

AJ Bell Youinvest — **www.ajbell.co.uk/markets/investment-trusts**

Barclays — **www.barclays.co.uk/smart-invest**

Bestinvest by Evelyn Partners — **www.bestinvest.co.uk**

Charles Stanley — **www.charles-stanley-direct.co.uk**

Fidelity International — **www.fidelity.co.uk**

Halifax — **www.halifax.co.uk/investing**

Hargreaves Lansdown — **www.hl.co.uk/shares/investment-trusts**

novia — **www.wealthtime.com/advisers/**

transact — **www.transact-online.co.uk**

abrdn — **www.abrdn.com/adviser/wrap**

The companies above are shown for illustrative purposes only. Other platform providers are available. The links above direct you to external websites operated by each platform provider. abrdn Group is not responsible for the content and information on these third-party sites.

Flexibility

Many investment platform providers will allow you to buy and hold abrdn Investment Trust shares within an Individual Savings Account (ISA), Junior ISA or Self Invested Personal Pension (SIPP), all of which have potential tax advantages. Most will also allow you to invest on both a lump sum and regular savings basis.

Costs and service

It is important to choose the right platform for your needs, so take time to research what each platform offers before you make your decision, as well as considering charges. When it comes to charges, some platforms have flat fee structures while others levy percentage-based charges. Typically, you will also pay a fee every time you buy and sell shares, so you need to bear in mind these transaction costs if you are trading frequently. There may also be additional charges for ISA and SIPP investments.

Can I exercise my voting rights if I hold my shares through an investment platform?

Yes, you should be able to exercise your right to vote by contacting your platform provider. Procedures differ, but some platforms will automatically alert you when new statutory documents are available and then allow you to vote online. Others will require you to contact them to vote. Your chosen platform provider will provide further guidance. The Association of Investment Companies has provided information on how to vote investment company shares held on some of the major platforms. This information can be found at: **www.theaic.co.uk/how-to-vote-your-shares.**

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 Advisers

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 **at https://register.fca.org.uk/** or email: **register@fca.org.uk**

Getting advice

abrdn Group recommends that you seek financial advice prior to making an investment decision. If you do not currently have a financial adviser, details of authorised financial advisers in your area can be found at**pimfa.co.uk** or **unbiased.co.uk**. You will pay a fee for advisory services.

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 above has been Issued by abrdn Investments Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom. abrdn Investments Limited is entered on the Financial Services Register under registration number 121891

Alternative Investment Fund Managers Directive Disclosures (Unaudited)

abrdn Group 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 November 2023.

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 19 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, abrdn Holdings Limited on request (see contact details on page 121) and the numerical remuneration in the disclosures in respect of the AIFM's reporting period for the year ended 31 December 2023 are available on the Company's website.

Leverage

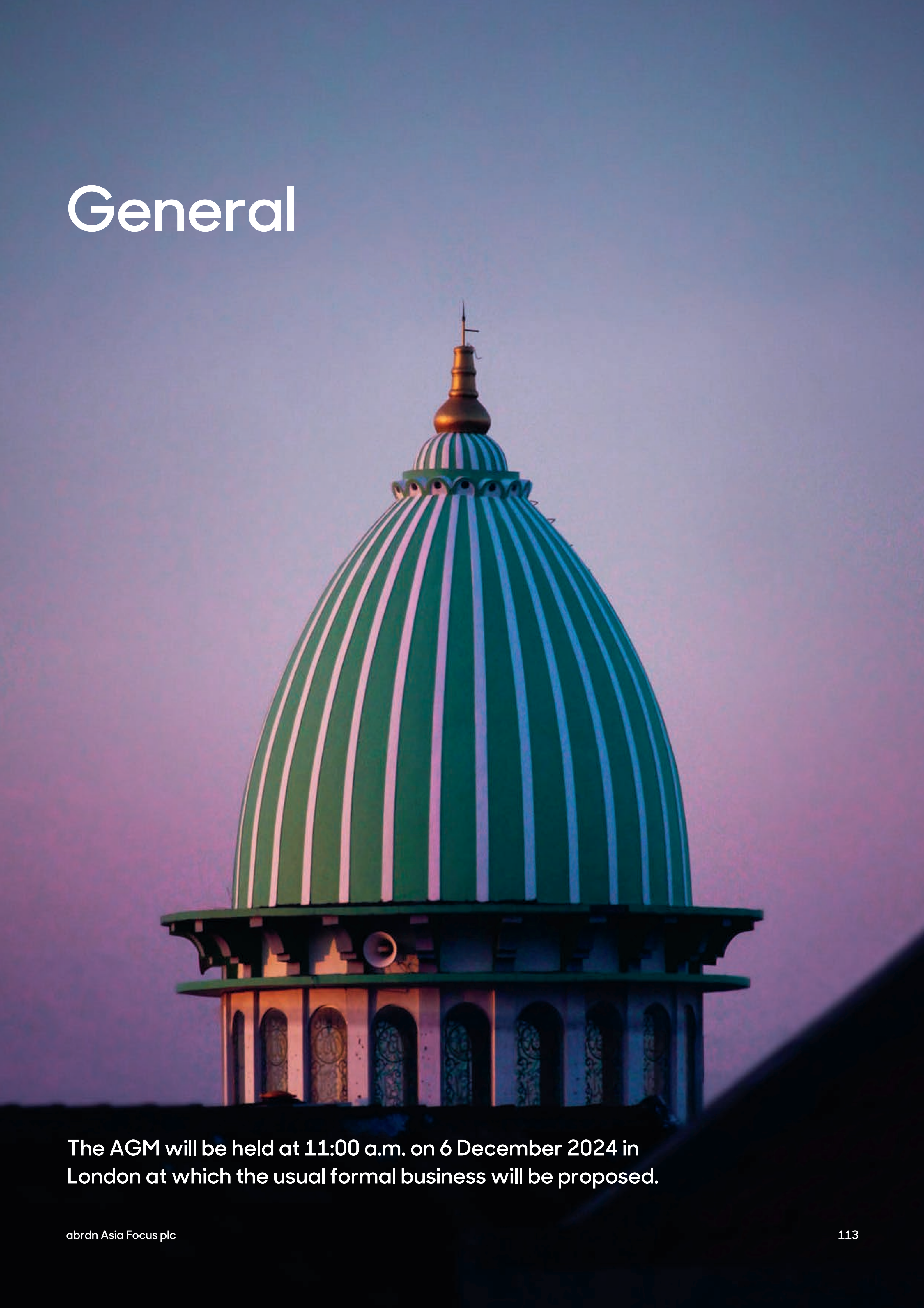
The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross method	Commitment method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 31 July 2024	1.22:1	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 information above has been Issued by abrdn Investments Limited, which is authorised and regulated by the Financial Conduct Authority in the United Kingdom. abrdn Investments Limited is entered on the Financial Services Register under registration number 121891

General



The AGM will be held at 11:00 a.m. on 6 December 2024 in London at which the usual formal business will be proposed.

Notice of Annual General Meeting

Notice is hereby given that the twenty-ninth Annual General Meeting of abrdn Asia Focus plc will be held at 18 Bishops Square, London, E1 6EG, at 11:00 a.m. on 6 December 2024 for the following purposes:

To consider and if thought fit, pass the following Resolutions of which Resolutions 1 to 11 will be proposed as Ordinary Resolutions and Resolutions 12 to 14 as Special Resolutions:

Ordinary Business

1. To receive and adopt the Directors' Report and financial statements for the year ended 31 July 2024, together with the auditors' report thereon.
2. To approve the Directors' Remuneration Report for the year ended 31 July 2024 (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 Ms C Black as a Director.
5. To re-elect Mr K Shanmuganathan as a Director.
6. To re-elect Mr L Cooper as a Director.
7. To re-elect Mr A Finn as a Director.
8. To elect Ms L Macdonald as a Director.
9. To elect Ms D Curling as a Director.
10. To re-appoint PricewaterhouseCoopers LLP as auditors and to authorise the Directors to determine their remuneration.

Special Business

11. 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 £2,554,986; and

    (b) up to a further aggregate nominal amount of £2,554,986 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 2025 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.

12. THAT subject to the passing of Resolution 11 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 11 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 £766,496 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 2025, 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.

13. 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 13;

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 2025 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.

14. 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
abrdn Holdings Limited
Company Secretary
23 October 2024

Registered Office
280 Bishopsgate, London EC2M 4AG

Notice of Annual General Meeting

Continued

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 4 December 2024 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. It is possible for you to submit your proxy votes online by going to Equiniti's Shareview website, **www.shareview.co.uk**, and logging in to your Shareview Portfolio. Once you have logged in, simply click 'View' on the 'My Investments' page and then click on the link to vote and follow the on-screen instructions. If you have not yet registered for a Shareview Portfolio, go to **www.shareview.co.uk** and enter the requested information. It is important that you register for a Shareview Portfolio with enough time to complete the registration and authentication processes.

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.

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 Chair 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 23 October 2024 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 151,254,218 Ordinary shares of 5 pence each and there were a further 57,467,090 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 23 October 2024 is 151,254,218. Treasury shares represent 27.5% 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.

Glossary of Terms and Definitions

abrdn Asia or the Investment Manager
abrdn Asia Limited is a wholly owned subsidiary of abrdn plc and acts as the Company's investment manager

abrdn plc
abrdn 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

Active Share
Active Share is a measure of the percentage of stock holdings in the portfolio that differs from the benchmark index

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 £36.6 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

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 2024

153,626,718
Ordinary shares of 5p (excluding treasury shares)

55,094,590
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 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

Year ended 31 July 2023

500,000 shares purchased for treasury at a discount to NAV; 2,158 new Ordinary shares issued following conversion of 6,334 units of CULS in December 2022; 2,189 new Ordinary shares issued following conversion of 6,419 units of CULS in June 2023

Year ended 31 July 2024

2.85m shares purchased for treasury at a discount to NAV; 8,191 new Ordinary shares issued following conversion of 24,012 units of CULS in December 2023; 10,549 new Ordinary shares issued following conversion of 30,927 units of CULS in June 2024

Corporate Information

Directors
Krishna Shanmuganathan, Chair
Charlotte Black
Lindsay Cooper
Alex Finn
Lucy Macdonald
Davina Curling

Registered in England as an Investment Company
Registration Number 03106339

Manager
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23-04. Marina One East Tower
Singapore 018936

Alternative Investment Fund Manager*
abrdn Fund Managers Limited
280 Bishopsgate
London EC2M 4AG
(*Authorised and regulated by the Financial Conduct Authority*)
(* appointed as required by EU Directive 2011/61/EU)

Secretaries and Registered Office
abrdn Holdings Limited
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Independent Auditor
PricewaterhouseCoopers LLP
Atria One
144 Morrison Street
Edinburgh EH3 8EX

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

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

Legal Entity Identifier
5493000FBZP1J92OQY70

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The Company
The Company is an investment trust and its Ordinary shares and Convertible Unsecured Loan Stock ("CULS") are admitted to trading on the main market of London Stock Exchange plc. 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
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.)

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.