abrdn China Investment Company Limited

Half Yearly Report 30 April 2023

Seeking long-term capital growth by investing predominantly in Chinese equities

abrdnchina.co.uk

Contents

Performance Highlights

NAV per Ordinary share
As at 30 April 2023

580.9p

As at 31 October 2022 512.0p

NAV per ordinary share total return[A]
Six months ended 30 April 2023

+14.0%

Year ended 31 October 2022 –37.0%

Ordinary share price
As at 30 April 2023

497.0p

As at 31 October 2022 448.0p

Ordinary share price total return[A]
Six months ended 30 April 2023

+11.5%

Year ended 31 October 2022 –35.5%

Discount[A]
As at 30 April 2023

14.4%

As at 31 October 2022 12.5%

MSCI China All Share Index total return (in sterling terms)
Six months ended 30 April 2023

+16.7%

Year ended 31 October 2022 +31.5%

Net assets
As at 30 April 2023

£253.1m

As at 31 October 2022 £231.8m

Net gearing/(cash)[A]
As at 30 April 2023

2.6%

As at 31 October 2022 –3.6%

Revenue return per Ordinary share
Six months ended 30 April 2023

–2.52p

Six months ended 30 April 2022 –0.47p

Ongoing charges ratio ('OCR')[AB]
Forecast for year ending 31 October 2023

1.09%

Year ended 31 October 2022 0.60%

[A] Considered to be an Alternative Performance Measure. Further details can be found on pages 34 and 35.
[B] The OCR for the year ended 31 October 2022 benefited from a six months' waiver of the management fee charged by abrdn plc and a twelve months' waiver of marketing fees.

Financial Calendar and Highlights

Financial year end	**31 October 2023**
Expected announcement of results for year ended 31 October 2023	**February 2024**
Annual General Meeting (London)	**April 2024**

Performance (total return)

	Six months ended 30 April 2023 %	Year ended 31 October 2022 %	31 October 2021 – 30 April 2023 %
Net asset value[A]	14.0	–37.0	–28.2
Share price[A]	11.5	–35.5	–28.1
MSCI China All Share Index (in sterling terms)	16.7	–31.5	–20.1

[A] Considered to be an Alternative Performance Measure (see page 35).

"The Chinese economy appears to be moving in the right direction. After a lengthy period of social and travel restrictions, we believe there is pent-up consumer demand in China."

Chairman's Statement

Overview

I am pleased to share with you the half-yearly report for abrdn China Investment Company Limited ("the Company"), covering the six months to 30 April 2023 ("the Period"). During the Period, the Company's net asset value ("NAV") total return was 14.0% in sterling terms, while the share price total return was 11.5%. The MSCI China All Shares Index, the Company's Reference Index returned 16.7% over the Period. The share price discount to NAV was 14.5% at 30 April 2023.

Compared with the investment backdrop at our financial year end in October 2022, the Period covered by this half-yearly report was much more positive for investors in Chinese equities. Whilst not always evident from reporting in the Western media, domestic sentiment now appears far more positive and China's swift rollback of its zero-Covid measures during November and December, and a full reopening of borders by early January, drove a strong stock market rally with onshore and offshore Chinese companies seeing sharp gains across the board. The Shanghai Stock Exchange A Shares Index rose 11% in the six weeks following the lifting of Covid restrictions in early November. The rally was particularly strong as it followed a severe test of investors' nerves in the wake of a host of domestic concerns, including Covid-related disruptions and growing pressure on the domestic real estate sector, compounded by the worsening global economic environment.

Despite the positive early indicators, the economic recovery has not been as smooth as many expected. The predicted rebound in consumption has failed to match the market's high expectations. As a result, consumer companies, including many of those held by the Company, have come under selling pressure since February. The Company's Investment Manager believes that the bulk of this recovery, aided by a restoration of consumer confidence, will happen in the second half of this year and into 2024 as employment and income prospects meaningfully improve for households. I am encouraged by the fact that the Chinese Government publicly declared its intention to support growth at the National People's Congress in March 2023. This implies that the policy landscape is likely to remain accommodative in the months ahead.

Lawmakers have moved swiftly to ease pressure on a heavily indebted real estate sector, which is both a major driver of economic growth and a key source of personal wealth in China. Last year, the central government unveiled a swathe of measures, including easing home-buying requirements for individuals as well as a raft of policy tools, such as loan financing, bond issuance and equity financing assistance, to help developers avoid the worst effects of the liquidity crunch.

However, external pressures on China persist. There is still the looming spectre of global recession as central banks raise interest rates to fight rising inflation. China, where inflation is comparatively low compared to the West, is one of the few nations that is still able to employ looser monetary policy including lowering interest rates. Meanwhile, tensions simmer between China and Taiwan, and continue to flare between the US and China, as was illustrated by the US shooting down an alleged Chinese spy balloon that had strayed into its airspace.

Against this backdrop, the Company's performance was supported by a rebound in some sectors that had dragged down performance over the last financial year. The financial sector had been one of the main detractors to performance for the 12 months to 31 October 2022. However, it was one of the strongest performing sectors during the Period, after the Company's holdings, particularly in the retail banks, rallied. The performance of investments in healthcare and materials were also positive during the Period. On a more negative note, given the Company's consumer focus, consumer discretionary stocks detracted, reflecting how the pace of recovery in consumption has, so far, not lived up to investors' expectations.

In terms of positioning, the Company's Investment Manager continues to focus on five core themes: Aspiration, Digitalisation, Going Green, Health and Wealth. These are aligned to the Chinese government's policy objectives and tap into the vast consumer market and rising affluence of a growing middle class in China. The Company's Investment Manager has reviewed exposure to internet companies, increasing some positions and lowering the portfolio weight to others, for stock-specific reasons. More detail on the performance of the portfolio and changes to the holdings can be found in the Investment Manager's Review.

China's reopening has had another direct positive impact for the Company. With the lifting of Covid restrictions heralding the return of travel, one of the Company's portfolio managers, Elizabeth Kwik, was able to update shareholders in person at the Company's Annual General Meeting in London in April. This provided our shareholders with a useful insight into the long-term outlook for China and the differences between how the region is reported in the Western media and the investment opportunities the Investment Manager sees locally. The Board is also due to travel to China later this year in order to meet with the abrdn investment team on the ground, as well as visit some of the companies in the Investment Portfolio. By then, it will have been two years since the mandate change, but it will be the first opportunity the Board has had to travel to the region together and meet with the broader team in Hong Kong and Shanghai.

Discount and Share Buy Backs

The discount at which the Company's shares trade relative to the NAV operated in a narrow band between around -12% to -15% for most of the Period. At the end of April 2023 the share price was trading at a discount of 14.4% and since then the discount has remained unchanged.

The Board has continued to buy back shares in order to try to mute the volatility of the discount. During the Period, 1,721,633 shares were bought back at a total cost of £9.2m and a weighted average discount of 13.9%. This represented 3.8% of the issued share capital and added 3.2p, or 0.51%, to the Net Asset Value per Share. The shares are held in treasury.

The Company's share price has typically traded at a wider discount than that of its peers, albeit with less variation in level than other trusts in the sector. Although, there are times when all the peers' discounts have widened to match that of the Company.

Revenue Account & Dividend Outlook

In the previous financial year, the Company paid a dividend of 2.2 pence per Ordinary share. The dividend was paid in order that the Company complied with the rules governing investment trusts, which includes the requirement that most of the net income is distributed to shareholders.

The surplus revenue last year arose largely as a result of the Company benefiting from a waiver of the management fee following the merger with Aberdeen New Thai Investment Trust PLC in November 2021. In the current year, the Company will pay a full year of management fees and, as a result, the charge in the current year is more representative of the ongoing expense than last year.

Loan Facility and Gearing

In April 2022, the Company entered into a two year £15m, unsecured, multi-currency, revolving loan facility with Industrial and Commercial Bank of China, London Branch. The facility was undrawn at the start of the Period, but £12.18m (CNH 106m) was drawn down in two tranches in December 2022 and January 2023. At the end of the Period, the cost of the funding was 4.11%. Since the end of the Period, the remaining £2.2m (CNH 19.8m) of the facility has been drawn. At the end of Period, the net gearing was 2.6%.

Change of Portfolio Administrator, Depositary, Registered Office, Custodian and Company Secretary

In April 2023, the Company completed the process of moving most of its support functions to various entities within BNP Paribas S.A. Group ("BNP"). The depositary and administration of the portfolio moved to BNP Paribas S.A., Guernsey Branch. The registered office of the Company moved to BNP Paribas House, St Julian's Avenue, St Peter Port, Guernsey, GY1 1WA. The custodian was also moved to BNP Paribas S.A. At the same time abrdn Holdings Limited was appointed Company Secretary.

The Board decided to make these changes as BNP is the preferred service partner of the Company's Investment Manager, abrdn plc, and currently BNP provides these services to the majority of the investment companies that abrdn manages. The Company will be able to access a more competitive rate card for the provision of these vital services and at the same time, bringing the Company into abrdn's administration model should result in improved reporting to the Board.

I would like to thank the teams at Northern Trust (Guernsey) Limited and Vistra Fund Services (Guernsey) Limited for the professional services and support they have provided to the Company over the years, including through the merger with Aberdeen New Thai in 2021 and, more recently, in the transfer of responsibilities to BNP.

Chairman’s Statement

Continued

Outlook

It has been a challenging time for the Company since our mandate change in November 2021.

However, the Chinese economy appears to be moving in the right direction. After a lengthy period of social and travel restrictions, we believe there is pent-up consumer demand in China. The reopening that is already underway should lead to a multi-stage recovery, with a gradual revival of domestic consumption. In turn, this should boost sectors ranging from tourism to healthcare, and property to banks.

China’s economic recovery appears to be underway, albeit at a slower and more gradual pace than elsewhere in Asia. This recovery is aided by supportive financial conditions. China’s inflation is lower than surrounding countries, meaning authorities have been more able to introduce accommodative monetary and fiscal policies to support economic growth. Projections from the International Monetary Fund (“IMF”) earlier this year forecast that China’s economy will grow 5.2% in 2023 (compared with 3% in 2022). China’s economy is also expected to contribute one third of overall global growth. Although the IMF also points out that “comprehensive macroeconomic policies and structural reforms” are still required.

At the heart of China’s economic growth is its rising middle class, supporting the high quality companies favoured by the Company’s Investment Manager and providing opportunities to invest in companies that are set to deliver long-term capital growth. These companies are benefiting from rising affluence leading to growth in consumption, growing digital integration and more widespread technology adoption, the move to a greener, lower-carbon world, greater demand for healthcare products, and structural growth in consumer finance.

The Board and I remain convinced of China’s long-term potential. We are confident of the Company’s Investment Manager’s approach and believe the portfolio is well positioned for the future.

Helen Green
Chairman
27 June 2023

Investment Manager's Review

Market Environment

The gloom surrounding Chinese equities and the economy has lifted and growth is returning, albeit tentatively, after three years of the economic malaise caused by the Covid-19 pandemic.

Optimism was in short supply as the Company's financial year got underway. The central government's strict zero-Covid policy weighed heavily on share prices for much of 2022 and disrupted swathes of the economy. Yet throughout stock market history, patient investors who have been prepared to sit tight during periods of volatility have often been rewarded. The turning point for China came at the start of November 2022, the very beginning of the reporting Period. Share prices surged after the government unexpectedly announced that it was abandoning its seemingly steadfast commitment to its controversial zero-Covid policy. Increased liquidity support for the struggling property sector from the government and state-owned banks also improved investor sentiment. Share prices rallied further in December as the prospect of an economic reopening became a reality. All social distancing measures were lifted and Covid-19 cases surged as a result, but China responded by encouraging herd immunity. China's Center for Disease Control and Prevention stated in January 2023 that the current wave of infections was "coming to an end".

Investor spirits, buoyed by hopes of a rebound in economic growth, drove the market higher and, with a strong rebound in share prices from November onwards, February's profit-taking was perhaps inevitable. However, share prices resumed their upward trajectory in March. Investors chased short-term "hot themes", including those relating to ChatGPT, wider artificial intelligence ("AI") opportunities and state-owned enterprise reforms, rotating out of previous winners in the process. April saw the AI hype dissipate somewhat as investors refocused on fundamentals.

Turning to broader economic themes, one of the most eye-catching statistics of the Period was the reported GDP for the first quarter of 2023. It showed 4.5% year-on-year growth, up from 2.9% in Q4 2022, and easily surpassed market estimates of 4% annual growth. However, other data, such as an unexpected decline in the Caixin Manufacturing Purchasing Managers' Index, generally considered a reliable indicator of the strength of the Chinese economy, declined from 51.6 in February to 50 in March, suggesting the recovery remains patchy.

The concerns over the speed and strength of the economic recovery after the easing of the zero-Covid policy has been reflected in company earnings. First-quarter results from A-share companies largely pointed to recovery, although the rebound is not yet proving to be as robust and broad-based as expected. Based on our conversations with company management teams, we believe that growth and recovery will be more pronounced as we move into the second half of 2023.

Portfolio Performance

During the Period the Company's net asset value ("NAV") total return was 14.0%, which compares with the MSCI China All Shares Index, the Company's Reference Index's, return of 16.7%. The Ordinary share price total return was 11.5%, as the discount to NAV at which the Company's Ordinary shares trade widened to 14.4% from 12.5% at the start of the financial year.

The portfolio initially performed strongly after the re-opening of the Chinese economy. The market recognised our high quality holdings and the opportunity for them to benefit from the return to normal economic activity after three years of stifled growth. However, profit-taking affected the portfolio in February. Our limited exposure to artificial AI-related stocks also negatively impacted performance as investors chased this "hot" trend in March. We do not believe this trend is sustainable as we expect that investors will find earnings delivery does not match their expectations, forcing them to refocus on fundamentals. We have already seen this to a degree, as AI-related stocks suffered a dip in April.

Investment Manager's Review

Continued

Stock-selection accounted for the Company's modest underperformance versus the Reference Index. Our consumer discretionary holdings were the main source of underperformance, although our information technology holdings also had a negative impact on overall portfolio returns. Our financials and healthcare holdings partially offset the rest of the portfolio's negative performance.

China Merchants Bank (CMB) and **Tencent** were the top two performers. CMB rallied on the economic reopening while Tencent benefited from a recovery in sentiment as regulation towards the internet sector eased. Elsewhere, **Kweichow Moutai** benefited from strong initial interest in consumer stocks after the re-opening. The company's special dividend and proposed capacity expansion also boosted sentiment. Other holdings also benefited from the improved investor confidence in consumption, including sportswear firm **Li-Ning** and electrical appliance manufacturer **Midea Group**. Other beneficiaries of China's re-opening included pan-Asian life insurer **AIA** and the **Hong Kong Stock Exchange.**

Turning to the laggards, **Longi Green Energy**, **Yunnan Energy New Material** and **Sungrow Power Supply** were all affected by the weakness in renewable energy-related stocks. **Starpower Semiconductor** suffered from softening semiconductor prices. Not owning Ping An Insurance also hurt relative performance, given its strong first-quarter results. Holding **JD.com** was unhelpful based on market concerns over rising competition in e-commerce. This may weigh on the stock over the near term, but we remain positive on the company's long-term competitiveness.

Portfolio Activity

We believe our bottom-up stock-picking approach, grounded in fundamental research and local expertise, provides an advantage in finding the best quality companies in which to invest. We engage collaboratively with companies, prior to investment as well as part of our ongoing due diligence, with the aim of sharing expectations and encouraging best practices. Please see the Case Studies of Engagement Activity on pages 14 and 15 for examples of the work we have been doing in this area. We continue to construct and manage the Company's portfolio based on the themes of Aspiration, Digital, Green, Health and Wealth. Whilst this approach will not prevent us from investing in stocks where we see fundamental value, we would expect most of our holdings to align to these key themes.

During the Period the Company received regulatory approval for a Qualified Foreign Investor ("QFI") licence status, which provides access to the broader Chinese equity market. As a result of this, we purchased two new stocks: **Centre Testing International** and **OPT Machine Vision**. Centre Testing International is a leading third-party testing company that enjoys stable and diversified growth. OPT Machine Vision is a leading machine vision company with good growth prospects, driven by the upgrade of automation manufacturing in China.

We also initiated a position in **PDD**, owner of popular shopping app Pinduoduo. It is gaining market share within China's ecommerce sector. We added to our existing position in **Alibaba Group** in January, based on its attractive valuation, easing regulatory pressures and an improving outlook thanks to the earlier than expected reopening of the economy.

We exited positions in Anhui Conch Cement and GDS due to weakening conviction and in view of better opportunities elsewhere.

Revenue Account

The loss for the Period was £1.1m compared to a loss of £0.221m for the same period last year. While investment income was up almost 34% to £0.604m, the prior year numbers benefited from a waiver of the management fee for the first six months following the completion of the combination with Aberdeen New Thai Investment Trust in November 2021. As a result, the current year management fee charge is more representative of the ongoing expense than the prior year.

In 2022 90% of the income in the year was generated in the second half of the Company's financial year and we expect that the split is likely to be similar in the current year.

Outlook

The past three years have undeniably been challenging for China and those who are invested in the country. Stringent social curbs and onerous travel restrictions placed a great burden on the population. Now is the time for optimism, however, even if there has not been a 'V' shaped economic rebound as some had expected.

We see the Chinese consumer at the heart of the recovery. After a very long period of widespread lockdowns, there is considerable pent-up consumer demand. Furthermore, elevated household savings should provide a powerful tailwind for consumer spending. As jobs and income prospects improve, we expect consumers to spend their savings across different sectors, including tourism, travel, healthcare and property.

The policy environment is another reason for optimism. Many Western economies are still wrestling with stubbornly high inflation, resorting to repeated interest-rate rises in a bid to manage the problem, with varying degrees of success. In contrast, the inflation picture in China remains benign. This has given the authorities the freedom to introduce accommodative monetary and fiscal policies to support economic growth. In late April the central government acknowledged the need to sustain the economic recovery at a meeting of the Politburo. Policy guidance is therefore likely to remain supportive. With growth in many developed Western economies set to slow as higher interest rates bite, China represents a real counter-cyclical opportunity.

Finally, but crucially, valuations in China remain highly attractive. We believe that quality companies – the type our investment process favours – are still discounted by the market, but their prospects have improved significantly and we believe that the market will recognise this valuation discrepancy over time.

Across our five themes of Aspiration, Digital, Green, Healthcare and Wealth, companies are still trading below historical valuations. These companies have weathered the pandemic storm and continue to exhibit solid fundamentals. We believe this is a great opportunity to invest in quality companies at compelling valuations.

Nicholas Yeo and Elizabeth Kwik
abrdn Hong Kong Limited
27 June 2023

Ten Largest Investments

As at 30 April 2023

Tencent Holdings Ltd
(9.6% of portfolio value)

An innovative leader in China's internet sector with a strong presence in fintech and cloud segments, backed by an entrenched social media and payment ecosystem.

Kweichow Moutai Co Ltd
(6.3% of portfolio value)

The largest maker of Chinese alcohol spirit Baijiu, positioned in the ultra-premium space where there are few competitors. The company is well placed to capture rising domestic consumption trends in China.

Alibaba Group Holding Ltd
(5.2% of portfolio value)

The Chinese internet group is a global e-commerce company with leading platforms including Taobao and T-mall in the mainland. The company also has interests in logistics and media as well as cloud computing platforms and payments.

China Merchants Bank Co Ltd
(3.9% of portfolio value)

A best-in-class retail bank in China, offering diversified financial services with a solid track record and sound risk management practices.

Contemporary Amperex Technology Co Ltd (3.3% of portfolio value)

The largest lithium battery maker in the world with leading technology and supply chain advantage, set to benefit from the rise of electric vehicles and energy storage.

Bank of Ningbo Co Ltd
(3.3% of portfolio value)

A city bank focused on lending to small and medium enterprises in the affluent Ningbo-Zhejiang region. The bank has shown superior returns and asset quality over the years.

Meituan
(3.0% of portfolio value)

A diversified online services platform with over 400 million users, offering services including food delivery, travel bookings and wedding planning. It is optimally placed to capture rising consumption in mainland China.

AIA Group Ltd
(2.9% of portfolio value)

A leading pan-Asian life insurance company, it is poised to take advantage of Asia's growing affluence, backed by an effective agency sales force and a strong balance sheet.

JD.com Inc
(2.3% of portfolio value)

An online retailer with an edge in its strong logistics network. The company has shown improving corporate governance and management quality over the years.

China Tourism Group Duty Free Corp Ltd
(2.3% of portfolio value)

China's largest duty free operator that is well placed to benefit from supportive government policy and rising demand for duty-free cosmetics on the mainland.

Investment Portfolio

As at 30 April 2023

Company	Industry (sub-sector)	Value (£'000)	Value (%)
Tencent Holdings Ltd	Interactive Media & Services	25,037	9.6
Kweichow Moutai Co Ltd (A)	Beverages	16,517	6.3
Alibaba Group Holding Ltd	Broadline Retail	13,449	5.2
China Merchants Bank Co Ltd (H)	Banks	10,050	3.9
Contemporary Amperex Technology Co Ltd (A)	Electrical Equipment	8,586	3.3
Bank of Ningbo Co Ltd (A)	Banks	8,505	3.3
Meituan Dianping – Class B	Hotels, Restaurants & Leisure	7,761	3.0
AIA Group Ltd	Insurance	7,520	2.9
JD.com Inc – Class A	Broadline Retail	6,158	2.3
China Tourism Group Duty Free Corp Ltd (AH)	Specialty Retail	5,981	2.3
Top ten investments		**109,564**	**42.1**
Hong Kong Exchanges & Clearing Ltd	Capital Markets	5,356	2.1
Ping An Bank Co Ltd (A)	Banks	5,109	2.0
Li Ning Co Ltd	Textiles, Apparel & Luxury Goods	4,796	1.8
NetEase Inc	Entertainment	4,790	1.8
Wanhua Chemical Group Co Ltd (A)	Chemicals	4,755	1.8
Sungrow Power Supply Co Ltd (A)	Electrical Equipment	4,697	1.8
Shenzhen Mindray Bio-Medical Electronics Co Ltd (A)	Health Care Equipment & Supplies	4,655	1.8
Proya Cosmetics Co Ltd (A)	Personal Care Products	4,629	1.8
Aier Eye Hospital Group Co Ltd	Health Care Providers & Services	4,622	1.8
PDD Holdings Inc	Broadline Retail	4,555	1.8
Top twenty investments		**157,528**	**60.6**

Investment Portfolio

Continued

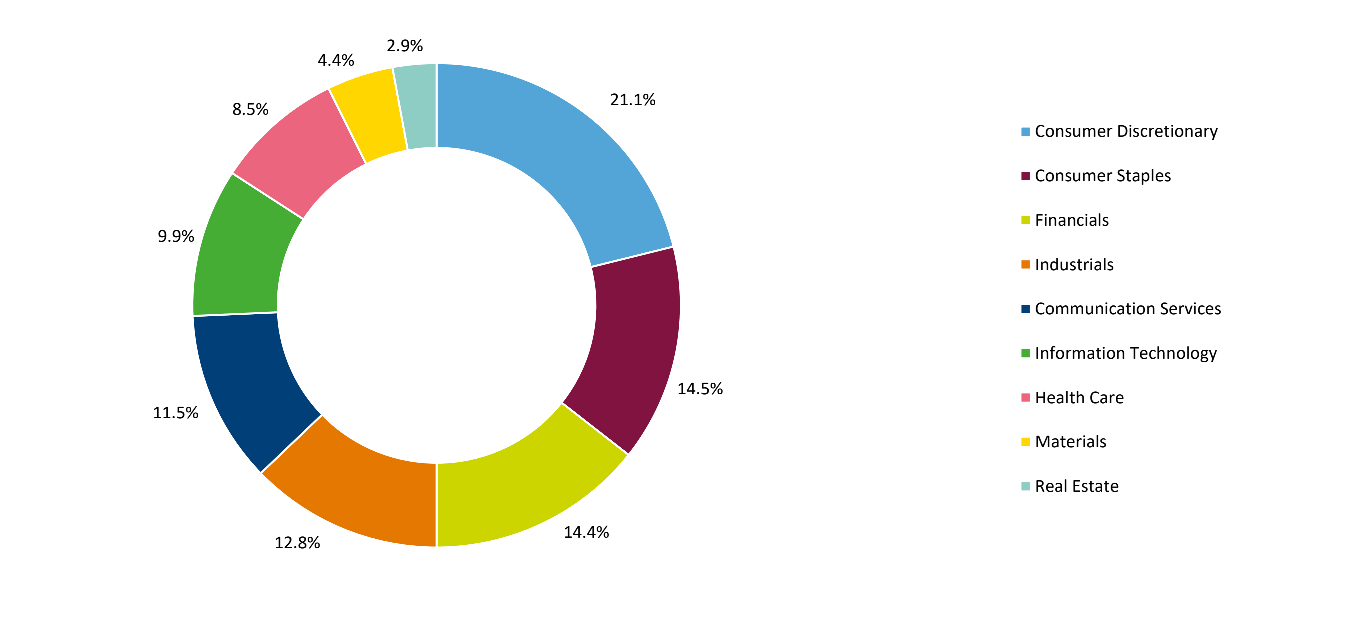
As at 30 April 2023

Company	Industry (sub-sector)	Value (£'000)	Value (%)
LONGi Green Energy Technology Co Ltd (A)	Semiconductors & Semiconductor Equipment	4,317	1.7
Centre Testing International Group Co Ltd	Consulting Services	4,249	1.6
Sinoma Science & Technology Co Ltd (A)	Chemicals	4,097	1.6
Wuxi Biologics Cayman Inc	Health Care Providers & Services	3,903	1.5
Glodon Co Ltd (A)	Software	3,869	1.5
Fuyao Glass Industry Group Co Ltd (H)	Automobile Components	3,828	1.5
China Resources Land Limited	Real Estate Management & Development	3,785	1.5
Foshan Haitian Flavouring & Food Co Ltd (A)	Food Products	3,776	1.4
China Vanke Co Ltd	Real Estate Management & Development	3,763	1.4
Inner Mongolia Yili Industrial Group Co Ltd (A)	Food Products	3,602	1.4
Top thirty investments		**196,717**	**75.7**
By-health Co Ltd (A)	Personal Care Products	3,488	1.3
Midea Group Co Ltd (A)	Household Durables	3,452	1.3
Shanghai M&G Stationery Inc (A)	Commercial Services & Supplies	3,349	1.3
Hefei Meiya Optoelectronic Technology Inc (A)	Machinery	3,343	1.3
Chacha Food Co Ltd (A)	Food Products	3,315	1.3
Nari Technology Co Ltd (A)	Electrical Equipment	3,299	1.3
Hundsun Technologies Inc (A)	Software	3,210	1.2
Zhejiang Weixing New Building Materials Co Ltd (A)	Building Products	3,157	1.2
Venustech Group Inc (A)	Software	2,945	1.1
Amoy Diagnostics Co Ltd (A)	Biotechnology	2,865	1.1
Top forty investments		**229,140**	**88.1**

As at 30 April 2023

Company	Industry (sub-sector)	Value (£'000)	Value (%)
Silergy Corp	Semiconductors & Semiconductor Equipment	2,733	1.1
Shenzhou International Group Holdings Ltd	Textiles, Apparel & Luxury Goods	2,672	1.0
Jiangsu Hengrui Medicine Co Ltd (A)	Pharmaceuticals	2,576	1.0
Yunnan Energy New Material Co Ltd (A)	Chemicals	2,576	1.0
Estun Automation Co Ltd (A)	Machinery	2,508	1.0
Maxscend Microelectronics Co Ltd (A)	Electronic Eqpt Instruments & Components	2,501	1.0
StarPower Semiconductor Ltd (A)	Semiconductors & Semiconductor Equipment	2,393	0.9
China Meidong Auto Holdings Ltd	Specialty Retail	2,188	0.8
Luxshare Precision Industry Co Ltd	Electronic Eqpt Instruments & Components	1,991	0.8
Hangzhou Tigermed Consulting Co Ltd (H)	Life Sciences Tools & Services	1,899	0.7
Top fifty investments		**253,177**	**97.4**
OPT Machine Vision Tech Co Ltd	Electronic Eqpt Instruments & Components	1,863	0.7
Yantai China Pet Foods Co Ltd (A)	Food Products	1,772	0.7
Zai Lab Ltd	Biotechnology	1,549	0.6
Komodo Fund	Unit Trusts	1,049	0.4
Wuliangye Yibin Co Ltd (A)	Beverages	559	0.2
Total investments		**259,969**	**100.0**

Sector Breakdown as at 30 April 2023



Case Studies of Engagement Activity

Chacha Food
(1.3% of portfolio value)

Chacha Food Company Limited ("Chacha") has been a leading player in China's sizeable packaged roasted seeds and nuts market since it was founded in 1996. Its main products include sunflower, watermelon and pumpkin seeds, beans, pistachios, walnuts, almonds, and other nut products. The seeds segment has a market share in excess of 50%, and accounts for 70% of Chacha's sales.

Following management and strategy changes, including the return of a former chairman, we believe that Chacha is well-positioned for further growth. Its superior product quality, nimble organisational structure, strong branding, and deep-rooted distribution channels should support its growth trajectory in a fast-changing snack market.

Recently, we engaged with Chacha to understand its risk-management policies better, and to encourage it to produce a standalone Environmental, Social and Governance ("ESG") report. During our engagements, we were impressed with Chacha's daily operations and its efforts to improve its ESG disclosure and business integration.

Chacha has recently released its first ESG report. Within the report, Chacha described its improving processes, including the use of recyclable packaging, water-saving efforts in the manufacturing process, improvements in supply-chain management and resulting client satisfaction scores.

We believe that this additional insight into Chacha will result in MSCI upgrading its ESG rating. We continue to work with Chacha to help improve these non-financial disclosures over time.

Shanghai M&G Stationery (1.3% of portfolio value)

Shanghai M&G Stationery Inc ("SM&GS") is a leading stationery brand in China with a market share of around 7%. SM&GS manufactures and sells student and office stationery in three business lines:

- Stationery business - which accounts for close to half of overall sales.
- Office-supply business - an emerging business-to-business arm that trades under the Colipu brand and generates over 40% of sales.
- Zakka business - an emerging retail business with over 500 stores, operating under the M&G Life and M&G Shops brands.

In 2021, we were the first investor to engage with SM&GS on its ESG practices. We held multiple discussions with the SM&GS team on its management of chemical safety, anti-corruption and bribery practices and carbon emissions, as well as external ESG scores and disclosures.

Following our engagements, SM&GS released its first ESG report in 2022. Based on our suggestions, it has built up its sustainability strategy and implemented it across its business units. The company has improved in key areas including chemical safety, by replacing and reducing its reliance upon substances which are not sustainable. In supply chain management, it has established ESG targets and introduced plans for its suppliers. It has created a business conduct and anti-corruption system and introduced enhanced disclosures.

SM&GS has established a highly competitive business, with potential for further growth. The outlook for office stationery supply is positive, and SM&GS is well-positioned to build upon the rapid growth already experienced in its direct supply business. We expect the company to benefit from its investments in recent years. It is well placed to capitalise on the structural domestic consumer trend towards premium products as disposable incomes continue to rise. This is underpinned by its R&D expenditure and premium product development, shared retail capabilities and timely consumer insights.

Interim Management Report and Directors' Responsibility Statement

The Chairman's Statement on pages 4 to 6, and the Investment Manager's Review on pages 7 to 9 provide details on the performance of the Company. Those reports also include an indication of the important events that have occurred during the first six months of the financial year ending 31 October 2023 and the impact of those events on the condensed unaudited financial statements included in this Half-Yearly Financial Report.

Details of investments held and the sector breakdown at the Period end is shown on pages 11 to 13.

Principal Risks, Emerging Risks and Uncertainties

The Board has an ongoing process for identifying, evaluating and managing the principal and emerging risks and uncertainties facing the Company. The Board has carried out a robust review of these risks. Most of the principal risks and uncertainties are market related and are no different from those of other investment trusts that primarily invest in Chinese equities. These are contained within the Annual Report for the year ended 31 October 2022 and comprise the following risk categories:

- Risks relating to the Company;
- Risks relating to the investment policy;
- Risks relating to the Manager/Investment Manager;
- Risks relating to regulation, taxation and the Company's operating environment;
- Internal Risks;
- Emerging Risks; and
- Failure to manage premium and/or discount.

The Board continues to monitor closely the political and economic uncertainties which could affect markets, particularly the heightened interest rate risk and the knock on impact of the collapse of the likes of Silicon Valley Bank, Credit Suisse and First Republic Bank. The Board also considers the impact of geopolitical risk on the Company and its portfolio, including the ongoing tensions between China and Taiwan, China and the West, and potential sanctions, as well as the ongoing war in Ukraine.

The Board is also very conscious of the risks emanating from increasing Environmental, Social and Governance ("ESG") challenges together with climate change and continues to monitor, through its Investment Manager, the potential risk that investee companies may fail to keep pace with the rates of ESG and Climate Change adaptation and mitigation that are required.

Going Concern

In accordance with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern.

The Company's assets consist substantially of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale. The Company has adequate resources to continue in operational existence for the foreseeable future and the ability to meet all its liabilities and ongoing expenses from its assets.

The Directors are mindful of the principal and emerging risks and uncertainties disclosed above, and review on a regular basis forecasts detailing revenue and liabilities and the Company's operational expenses. Having reviewed these matters, the Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and for at least 12 months from the date of this Half Yearly Report. Accordingly, they continue to adopt the going concern basis in preparing the Half Yearly Report.

Related Party Transactions

There have been no material changes in the related party transactions described in the 2022 Annual Report. A summary of changes to the Company's Service Providers during the Period is set out in the Chairman's Statement. Please also see the Related Party Disclosures in note 10 to the financial statements.

Responsibility Statement of the Directors in respect of the Half-Yearly Financial Report

The Disclosure Guidance and Transparency Rules require the Directors to confirm their responsibilities in relation to the preparation and publication of the Interim Management Report and Financial Statements.

The Directors confirm that to the best of their knowledge:

- The condensed set of financial statements contained within the Half Yearly financial report has been prepared in accordance with IAS 34 Interim Financial Reporting and gives a true and fair view of the assets, liabilities, financial position and return of the Company for the period ended 30 April 2023.
- The Interim Management Report, together with the Chairman's Statement and Investment Manager's Review, includes a fair review of the information required by:
  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the year; and
  b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the financial year and that have materially affected the financial position or performance of the Company during that period, and any changes in the related party transactions described in the last Annual Report that could do so.

  The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, but not for the content of any information included on the website that has been prepared or issued by third parties, and for the preparation and dissemination of financial statements. Legislation in Guernsey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Half-Yearly Financial Report was approved by the Board and the above Directors' Responsibility Statement was signed on its behalf by the Chair.

For abrdn China Investment Company Limited
Helen Green
Chairman
27 June 2023

Independent Review Report

To abrdn China Investment Company Limited

Conclusion

We have been engaged by abrdn China Investment Company Limited (the "Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 April 2023 of the Company, which comprises the condensed statement of financial position, the condensed statement of comprehensive income, the condensed statement of changes in equity, the condensed statement of cash flows and the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 April 2023 is not prepared, in all material respects, in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA").

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK) 2410 Review of Interim Financial Information Performed by the Independent Auditor of the Entity ("ISRE (UK) 2410") issued by the Financial Reporting Council for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the half-yearly financial report and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Scope of review section of this report, nothing has come to our attention to suggest that the directors have inappropriately adopted the going concern basis of accounting or that the directors have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However future events or conditions may cause the Company to cease to continue as a going concern, and the above conclusions are not a guarantee that the Company will continue in operation.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim financial report in accordance with the DTR of the UK FCA.

As disclosed in note 2, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards. The directors are responsible for preparing the condensed set of financial statements included in the half-yearly financial report in accordance with IAS 34 Interim Financial Reporting.

In preparing the half-yearly financial report, 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the scope of review paragraph of this report.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the Company in accordance with the terms of our engagement letter to assist the Company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Andrew Salisbury,
For and on behalf of
KPMG Channel Islands Limited
Chartered Accountants, Guernsey
27 June 2023

Condensed Unaudited Statement of Comprehensive Income

		Six months ended 30 April 2023 (unaudited)			Six months ended 30 April 2022 (unaudited)			Year ended 31 October 2022 (audited)		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		–	33,044	33,044	–	(82,328)	(82,328)	–	(142,451)	(142,451)
Gains/(losses) on currency movements		–	283	283	–	(508)	(508)	–	(354)	(354)
Net investment gains/(losses)		–	33,327	33,327	–	(82,836)	(82,836)	–	(142,805)	(142,805)
Investment income		604	–	604	452	–	452	4,108	–	4,108
Investment management fees	10	(947)	–	(947)	(75)	–	(75)	(1,020)	–	(1,020)
Other expenses		(616)	–	(616)	(455)	–	(455)	(913)	–	(913)
Operating (loss)/profit before finance costs and tax		(959)	33,327	32,368	(78)	(82,836)	(82,914)	2,175	(142,805)	(140,630)
Finance costs	5	(182)	–	(182)	(107)	–	(107)	(109)	–	(109)
Operating (loss)/profit before taxation		(1,141)	33,327	32,186	(185)	(82,836)	(83,021)	2,066	(142,805)	(140,739)
Taxation		27	(56)	(29)	(36)	–	(36)	(215)	–	(215)
Total (loss)/profit and comprehensive income for the period		(1,114)	33,271	32,157	(221)	(82,836)	(83,057)	1,851	(142,805)	(140,954)
(Losses)/earnings per Ordinary share (pence)	6	(2.52)p	75.28p	72.76p	(0.47)p	(177.94)p	(178.41)p	4.00p	(308.70)p	(304.70)p

The total column of this statement represents the Company' s Statement of Comprehensive Income, prepared under IAS 34 Interim Financial Reporting. The revenue and capital columns, including the revenue and capital (losses)/earnings per Ordinary share data, are supplementary information prepared under guidance published by the Association of Investment Companies.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued during the period.

The notes on pages 24 to 33 are an integral part of the condensed financial statements.

Condensed Unaudited Statement of Financial Position

	Note	As at 30 April 2023 (unaudited) £'000	As at 30 April 2022 (unaudited) £'000	As at 31 October 2022 (audited) £'000
Non-current assets				
Investments at fair value through profit or loss		**259,969**	283,012	224,064
Current assets				
Cash and bank		**5,722**	13,433	8,534
Sales for future settlement		**–**	1,555	–
Other receivables		**174**	6	56
		5,896	14,994	8,590
Total assets		**265,865**	298,006	232,654
Current liabilities				
Purchases for future settlement		**–**	(1,244)	(222)
Other payables		**(551)**	(261)	(564)
Finance costs payable		**(68)**	(43)	(25)
Bank loan		**(12,181)**	–	–
Total liabilities		**(12,800)**	(1,548)	(811)
Net assets		**253,065**	296,458	231,843
Equity				
Share capital	7	**138,216**	154,462	147,744
Capital reserve		**119,603**	147,708	87,739
Revenue reserve		**(4,754)**	(5,712)	(3,640)
Equity shareholders' funds		**253,065**	296,458	231,843
Net assets per Ordinary share (pence)	8	**580.93**	637.68	511.98

The notes on pages 24 to 33 are an integral part of the condensed financial statements.

Condensed Unaudited Statement of Changes in Equity

Six months ended 30 April 2023 (unaudited)

	Notes	Share capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2022		147,744	87,739	(3,640)	231,843
Profit/(loss) for the period		–	33,271	(1,114)	32,157
Buyback of shares	7	(9,528)	–	–	(9,528)
Dividends paid	9	–	(1,407)	–	(1,407)
Balance at 30 April 2023		138,216	119,603	(4,754)	253,065

Six months ended 30 April 2022 (unaudited)

	Notes	Share capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2021		148,735	230,544	(5,491)	373,788
Loss for the period		–	(82,836)	(221)	(83,057)
Scheme of reconstruction:					
Ordinary shares issued		62,037	–	–	62,037
Ordinary shares repurchased		(55,291)	–	–	(55,291)
Tender offer and share issue costs	7	(177)	–	–	(177)
Buyback of shares	7	(842)	–	–	(842)
Balance at 30 April 2022		154,462	147,708	(5,712)	296,458

Year ended 31 October 2022 (audited)

	Notes	Share capital £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 November 2021		148,735	230,544	(5,491)	373,788
(Loss)/profit for the year		–	(142,805)	1,851	(140,954)
Scheme of reconstruction:					
Ordinary shares issued		62,037	–	–	62,037
Ordinary shares repurchased		(55,291)	–	–	(55,291)
Tender offer and share issue costs	7	(177)	–	–	(177)
Buyback of shares	7	(7,560)	–	–	(7,560)
Balance at 31 October 2022		147,744	87,739	(3,640)	231,843

The capital reserve at 30 April 2023 is split between realised gains of £193,654,000 and unrealised losses of £74,051,000 (30 April 2022 – realised gains of £218,088,000 and unrealised losses of £70,380,000; 31 October 2022 – realised gains of £207,445,000 and unrealised losses of £119,706,000).

The revenue reserve and realised element of the capital reserve represents the amount of the Company's retained reserves.

The notes on pages 24 to 33 are an integral part of the condensed financial statements.

Condensed Unaudited Statement of Cash Flows

	Six months ended 30 April 2023 (unaudited) £'000	Six months ended 30 April 2022 (unaudited) £'000	Year ended 31 October 2022 (audited) £'000
Operating activities			
Cash inflow from investment income	**488**	540	4,187
Cash outflow from management expenses	**(1,580)**	(868)	(2,009)
Cash outflow from withholding tax	**(29)**	(36)	(215)
Net cash (used in)/from operating activities	**(1,121)**	(364)	1,963
Cash flows from investing activities			
Cash outflow from purchase of investments	**(55,608)**	(378,180)	(446,496)
Cash inflow from disposal of investments	**52,525**	244,052	311,504
Net cash outflows from investing activities	**(3,083)**	(134,128)	(134,992)
Cash flows from financing activities			
Dividends paid	**(1,407)**	–	–
Proceeds from bank borrowings	**12,181**	–	–
Borrowing commitment fee and interest charges	**(137)**	(98)	(118)
Scheme of reconstruction[A]:			
Ordinary shares issued	**–**	3,257	3,257
Ordinary shares repurchased	**–**	(55,291)	(55,291)
Tender offer and share issue costs	**–**	(388)	(388)
Buyback of shares	**(9,528)**	(842)	(7,338)
Net cash inflow/(outflow) from financing activities	**1,109**	(53,362)	(59,878)
Decrease in cash and cash equivalents	**(3,095)**	(187,854)	(192,907)
Analysis of changes in cash and cash equivalents during the period			
Opening balance	**8,534**	201,795	201,795
Decrease in cash and cash equivalents as above	**(3,095)**	(187,854)	(192,907)
Effect of foreign exchange	**283**	(508)	(354)
Cash and cash equivalents at end of period	**5,722**	13,433	8,534

[A] Actual proceeds received as a result of the Scheme of reconstruction on 9 November 2021 amounted to £3,257,000 with the remainder being received in the form of a UK Treasury Bill amounting to £57,980,000. The UK Treasury Bill was immediately sold on 10 November 2021 and subsequently deployed into Chinese equities.

The notes on pages 24 to 33 are an integral part of the condensed financial statements.

Selected Explanatory Notes to the Condensed Unaudited Financial Statements

For the six month period ended 30 April 2023

1. Reporting entity

abrdn China Investment Company Limited (the "Company") is a closed-ended investment company, registered in Guernsey on 16 September 2009. The Company's registered office is BNP Paribas House St Julian's Avenue St Peter Port Guernsey GY1 1WA. The Company's Ordinary shares have a premium listing on the London Stock Exchange and commenced trading on 10 November 2009. The condensed interim financial statements of the Company are presented for the six months ended 30 April 2023.

The Company invests in companies listed, incorporated or domiciled in the People's Republic of China ("China"), or companies that derive a significant proportion of their revenues or profits from China operations or have a significant proportion of their assets there. In furtherance of the investment policy, the portfolio will normally consist principally of quoted equity securities and depositary receipts although unlisted companies, fixed interest holdings or other non-equity investments may be held. Investments in unquoted companies will be made where the Manager has a reasonable expectation that the company will seek a listing in the near future. The portfolio is actively managed and may be invested in companies of any size and in any sector.

Manager. Management of the Company's investment activities were delegated to abrdn Hong Kong Limited by abrdn Fund Managers Limited ("aFML") during the Period.

Non-mainstream pooled investments ("NMPIs"). The Company currently conducts its affairs so that the Ordinary shares issued by the Company can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to NMPIs and intends to continue to do so for the foreseeable future.

2. Basis of preparation

Statement of compliance. The condensed interim financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting and the Disclosure Guidance and Transparency Rules ("DTRs") of the UK's Financial Conduct Authority. They do not include all of the information required for full annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended 31 October 2022. The financial statements of the Company as at and for the year ended 31 October 2022 were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The accounting policies used by the Company are the same as those applied by the Company in its financial statements as at and for the year ended 31 October 2022.

Where presentational guidance set out in the Statement of Recommended Practice (SORP") for Investment Companies issued by the Association of Investment Companies ("AIC") in July 2022 is consistent with the requirements of IFRS, the Directors have prepared the financial statements on a basis compliant with the recommendations of the SORP.

The "Total" column of the Condensed Unaudited Statement of Comprehensive Income is the profit and loss account of the Company. The "Revenue" and "Capital" columns provide supplementary information.

This report will be sent to shareholders and copies will be made available to the public at the Company's registered office. It will also be made available on the Company's website: **www.abrdnchina.co.uk**.

Going concern. The Directors have adopted the going concern basis in preparing the financial statements. The Board formally considered the Company's going concern status at the time of the publication of these financial statements and a summary of the assessment is provided below.

Since the adoption of new investment policy, as approved by Shareholders at the EGM held on 26 October 2021, the Board considered it appropriate to reset the interval between Continuation Resolutions so that the next Continuation Resolution will be put to Shareholders at the annual general meeting of the Company to be held in 2027.

The Directors believe that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of this document. In reaching this conclusion, the Directors have considered the liquidity of the Company's portfolio of investments as well as its cash position, income and expense flows.

As at 30 April 2023, the Company held £5.7 million in cash and £260.0 million in investments. It is estimated that approximately 99% of the investments held at the period end could be realised in one month. The total operating expenses for the period ended 30 April 2023 were £1.6 million, which on an annualised basis represented approximately 1.09% of average net assets during the period. The Company also incurred 0.15% of finance costs. At the date of approval of this Report, based on the aggregate of investments and cash held, the Company has substantial operating expenses cover. The Company's net assets at 26 June 2023 were £228.0 million.

The Company has a £15 million revolving credit facility with Industrial and Commercial Bank of China, London Branch ("ICBC") terminating in April 2024. As at 30 April 2023 £12,181,000 of the ICBC was drawn down at an interest rate of 4.108%. The liquidity of the Company's portfolio, as mentioned above, sufficiently supports the Company's ability to repay its borrowings at short notice.

In light of the impact of the heightened interest rate risk and geopolitical risk, the Directors have fully considered and assessed the Company's portfolio of investments. A prolonged and deep market decline could lead to falling values of the investments or interruptions to cashflow. However, the Company currently has more than sufficient liquidity available to meet any future obligations.

The Directors are satisfied that it is appropriate to adopt the going concern basis in preparing the financial statements and, after due consideration, that the Company is able to continue in operation for a period of at least twelve months from the date of approval of these condensed financial statements.

Equity and reserves

Share capital. Share capital represents the 1p nominal value of the issued share capital plus any share premium arising from the net proceeds of issuing shares less the aggregate cost of shares repurchased (to be held in treasury or for cancellation).

Capital reserve. Profits achieved by selling investments and changes in fair value arising upon the revaluation of investments that remain in the portfolio are all charged to profit or loss in the capital column of the Condensed Statement of Comprehensive Income and allocated to the capital reserve. The capital reserve attributable to realised profits is also used to fund dividend distributions.

Revenue reserve. The balance of all items allocated to the revenue column of the Condensed Statement of Comprehensive Income in each period is transferred to the Company's revenue reserve. The revenue reserve is also used to fund dividend distributions.

Use of estimates, assumptions and judgements. The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Use of estimates and assumptions. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Selected Explanatory Notes to the Condensed Unaudited Financial Statements

Continued

Classification and valuation of investments. Investments are designated as fair value through profit or loss on initial recognition and are subsequently measured at fair value. The valuation of such investments requires estimates and assumptions made by the management of the Company depending on the nature of the investments as described below and fair value may not represent actual realisable value for those investments.

Use of judgements. In respect of note 11, the determination of what constitutes 'observable' requires significant judgement by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary and provided by independent sources that are actively involved in the relevant market.

Adoption of new and revised standards. At the date of approval of these condensed financial statements, there were no new or revised standards or interpretations relevant to the Company which came into effect.

3. Investments

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of increases in fair value, financial assets are designated as fair value through profit or loss on initial recognition. These investments are recognised on the trade date of their acquisition at which the Company becomes a party to the contractual provisions of the instrument. At this time, the best evidence of the fair value of the financial assets is the transaction price. Transaction costs that are directly attributable to the acquisition or issue of the financial assets are charged to profit or loss in the Statement of Comprehensive Income as a capital item. Subsequent to initial recognition, investments designated as fair value through profit or loss are measured at fair value with changes in their fair value recognised in profit or loss in the Statement of Comprehensive Income and determined by reference to:

(i) investments quoted or dealt on recognised stock exchanges in an active market are valued by reference to their market bid prices;

(ii) investments other than those in i) above which are dealt on a trading facility in an active market are valued by reference to broker bid price quotations, if available, for those investments;

(iii) investments in underlying funds, which are not quoted or dealt on a recognised stock exchange or other trading facility or in an active market, are valued at the net asset values provided by such entities or their administrators. These values may be unaudited or may themselves be estimates and may not be produced in a timely manner. If such information is not provided, or is insufficiently timely, the Investment Manager uses appropriate valuation techniques to estimate the value of investments. In determining fair value of such investments, the Investment Manager takes into consideration relevant issues, which may include the impact of suspension, redemptions, liquidation proceedings and other significant factors. Any such valuations are assessed and approved by the Directors. The estimates may differ from actual realisable values;

(iv) investments which are in liquidation are valued at the estimate of their remaining realisable value; and

(v) any other investments are valued at Directors' best estimate of fair value.

Transfers between levels of the fair value hierarchy are recognised as at the end of the reporting period during which the change has occurred.

Investments are derecognised on the trade date of their disposal, which is the point where the Company transfers substantially all the risks and rewards of the ownership of the financial asset. Gains or losses are recognised within profit or loss in the 'Capital' column of the Condensed Statement of Comprehensive Income. The Company uses the weighted average cost method to determine realised gains and losses on disposal of investments.

4. Operating segments

IFRS 8, 'Operating segments' requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes. The Board, as a whole, has been determined as constituting the chief operating decision maker of the Company. The Board has considered the requirements of the standard and is of the view that the Company is engaged in a single segment of business, which is investing predominantly in Chinese equities. The key measure of performance used by the Board is the Net Asset Value of the Company (which is calculated under IFRS). Therefore, no reconciliation is required between the measure of profit or loss used by the Board and that contained in the financial statements.

The Board of Directors is responsible for ensuring that the Company's objective and investment strategy is followed. The day-to-day implementation of the investment strategy has been delegated to the Investment Manager, but the Board retains responsibility for the overall direction of the Company. The Board reviews the investment decisions of the Investment Manager at regular Board meetings to ensure compliance with the investment strategy and to assess the achievement of the Company's objective. The Investment Manager has been given full authority to make investment decisions on behalf of the Company in accordance with the investment strategy and analyses markets within a framework of quality, value, growth and change. The investment policy employed by the Investment Manager ensures that diversification within investments are taken into account when deciding on the size of each investment so the Company's exposure to any one company should never be excessive. The Company's positions are monitored as a whole by the Board in monthly portfolio valuations and at Board meetings. Any significant change to the Company's investment strategy requires shareholder approval.

The Company has a diversified portfolio of investments and no single investment accounted for more than 10% of the Company's net assets at the Company's period end. The Investment Manager aims to identify investments which it considers are likely to deliver consistent capital growth over the longer term.

5. Bank loan and finance costs

In April 2022, the Company entered into a £15 million unsecured multicurrency revolving loan facility with Industrial and Commercial Bank of China, London Branch ("the Lender") for a two year period. The facility will be utilised for general working capital purposes and for the acquisition of investments in accordance with the Company's investment policy. Under the terms of the facility, the Company also has the option to increase the level of the commitment from £15 million to £30 million at any time, subject to the Lender's credit approval.

During the Period, a total of CNH 106m was drawn down from the facility in two tranches in December 2022 and January 2023, which was equivalent to £12.2m as at 30 April 2023. At the Period end, the applicable interest rate on the amounts drawn down was 4.11%. Net gearing at the Period end was 2.6%.

Subsequent to the Period end, a further CNH 19.8m (equivalent to the remaining £2.2m available from the facility) has been drawn down.

	Six months ended 30 April 2023 £'000	Six months ended 30 April 2022 £'000	Year ended 31 October 2022 £'000
Interest payable	**152**	66	70
Facility arrangement fees and other charges	**30**	41	39
Total finance costs	**182**	107	109

Selected Explanatory Notes to the Condensed Unaudited Financial Statements

Continued

At 30 April 2023, interest payable of £65,000 (30 April 2022 – £43,000; 31 October 2022 – £nil) was accrued in the Condensed Unaudited Statement of Financial Position.

Restrictions imposed by the Lender in connection with the credit facility include the following financial covenants:

a) Total borrowings do not exceed 20% of the total assets at any time:

b) Its net asset value shall at all times be a minimum of £200 million; and

c) The aggregate value of the unlisted investments does not exceed 10% of the aggregate value of the investments at any time.

The Company does not have any externally imposed capital requirements other than disclosed above.

6. Earnings/(losses) per Ordinary share

	Six months ended 30 April 2023 pence	Six months ended 30 April 2022 pence	Year ended 31 October 2022 pence
Revenue return	**(2.52)**	(0.47)	4.00
Capital return	**75.28**	(177.94)	(308.70)
Total return	**72.76**	(178.41)	(304.70)

The figures above are based on the following:

	Six months ended 30 April 2023 £'000	Six months ended 30 April 2022 £'000	Year ended 31 October 2022 £'000
Revenue return	**(1,114)**	(221)	1,851
Capital return	**33,271**	(82,836)	(142,805)
Total return	**32,157**	(83,057)	(140,954)
Weighted average number of Ordinary shares in issue[A]	**44,194,416**	46,552,649	46,260,167

[A] Excluding shares held in treasury.

7. Share capital

Six month ended 30 April 2023	Authorised	Ordinary shares of 1p nominal value £'000	Allotted, issued and fully paid	Ordinary shares with voting rights[A]	Treasury shares
Opening number of shares	**Unlimited**	**622**	**62,172,947**	**45,283,575**	**16,889,372**
Purchase of own shares	**–**	**–**	**–**	**(1,721,633)**	**1,721,633**
Closing number of shares	**Unlimited**	**622**	**62,172,947**	**43,561,942**	**18,611,005**

Six month ended 30 April 2022	Authorised	Ordinary shares of 1p nominal value £'000	Allotted, issued and fully paid	Ordinary shares with voting rights[A]	Treasury shares
Opening number of shares	Unlimited	546	54,618,507	45,965,159	8,653,348
Scheme of reconstruction:					
Ordinary shares issued	–	76	7,554,440	7,554,440	–
Ordinary shares repurchased	–	–	–	(6,894,773)	6,894,773
Purchase of own shares	–	–	–	(134,749)	134,749
Closing number of shares	Unlimited	622	62,172,947	46,490,077	15,682,870

Year ended 31 October 2022[B]	Authorised	Ordinary shares of 1p nominal value £'000	Allotted, issued and fully paid	Ordinary shares with voting rights[A]	Treasury shares
Opening number of shares	Unlimited	546	54,618,507	45,965,159	8,653,348
Scheme of reconstruction:					
Ordinary shares issued	–	76	7,554,440	7,554,440	–
Ordinary shares repurchased	–	–	–	(6,894,773)	6,894,773
Purchase of own shares	–	–	–	(1,341,251)	1,341,251
Closing number of shares	Unlimited	622	62,172,947	45,283,575	16,889,372

[A] Excluding treasury shares.
[B] Audited.

Scheme of Reconstruction. On 9 November 2021, the Company completed and announced a Scheme of Reconstruction (the "Scheme"). As a result of the Scheme, the change in Ordinary share capital of the Company was as follows:

Share issue – The Company acquired approximately £62 million of net assets from Aberdeen New Thai Investment Trust PLC in consideration for the issue of 7,554,440 new Ordinary shares in the Company.

Selected Explanatory Notes to the Condensed Unaudited Financial Statements

Continued

Tender Offer – A total of 6,894,773 Ordinary shares were repurchased by the Company on 10 November 2021 under the Tender Offer and held in treasury at an aggregate cost to the Company of £55 million.

The costs incurred in implementing the Scheme amounted to £1,058,000.

Share capital account. The aggregate balance (including share premium) standing to the credit of the share capital account at 30 April 2023 was £138,216,000 (30 April 2022 – £154,462,000; 31 October 2022 – £147,444,000)

Purchase of own shares. There were 1,721,633 Ordinary shares purchased during the six months ended 30 April 2023 (six months ended 30 April 2022 – 134,749; year ended 31 October 2022 – 1,341,251) at an aggregate cost to the Company of £9,528,000 (six months ended 30 April 2022 – £842,000; year ended 31 October 2022 – £7,560,000).

8. Net asset value per Ordinary share

Net asset value per Ordinary share is based on net assets of £253,065,000 (30 April 2022 – £296,458,000; 31 October 2022 – £231,843,000) divided by 43,561,942 (30 April 2022 – 46,490,077; 31 October 2022 – 45,283,575) Ordinary shares in issue (excluding treasury shares) at the period end.

The table below is a reconciliation between the NAV per Ordinary share announced on the London Stock Exchange and the NAV per Ordinary share disclosed in these condensed financial statements

	As at 30 April 2023		As at 30 April 2022		As at 31 October 2022	
	Net assets £'000	NAV per Ordinary share p	Net assets £'000	NAV per Ordinary share p	Net assets £'000	NAV per Ordinary share p
Published NAV	**253,163**	**581.16**	296,611	638.01	231,843	511.98
Revaluation adjustments – delayed prices	**(98)**	**(0.23)**	(153)	(0.33)	–	–
NAV as disclosed in these financial statements	**253,065**	**580.93**	296,458	637.68	231,843	511.98

9. Dividends paid

On 17 March 2023, the Company paid to Shareholders the Interim dividend of 3.2p per Ordinary share in respect of the Financial Year ended 31 October 2022, amounting to £1,407,000.

No dividend was paid for the Period (six months ended 30 April 2022 – nil; year ended 31 October 2022 – 3.20p paid on 17 March 2023).

10. Related party disclosures

Manager. Management fees payable are shown in profit or loss in the Condensed Unaudited Statement of Comprehensive Income.

Total management fees of £947,000 (30 April 2022 – £75,000; 31 October 2022 – £1,020,000) were paid and payable to the Manager for the period, with a balance of £295,000 (30 April 2022 – £75,000; 31 October 2022 – £291,000) being payable to the Manager at the period end.

Following completion of the Scheme of Reconstruction, on 9 November 2021, the Company entered into a new management agreement (the 'Management Agreement') with abrdn Fund Managers Limited ('aFML'), pursuant to which the management fee payable by the Company to aFML will be calculated by reference to the market capitalisation of the Company, rather than its net assets (as was the case previously). The new management fee is structured on a tiered basis, with the first £150 million of market capitalisation being charged at 0.80%, the next £150 million being charged at 0.75%. and amounts thereafter being charged at 0.65%.

Furthermore, aFML agreed to make a contribution to the costs of implementing the Scheme of Reconstruction by means of a waiver of the management fee for the first six months following the completion of the Scheme.

The Management Agreement is terminable by either party on not less than six months' written notice at any time.

Investments held by the Company which are managed by the abrdn Group. As at 30 April 2023, the Company held the following investments managed by the abrdn Group:

	As at 30 April 2023 £'000	As at 30 April 2022 £'000	As at 31 October 2022 £'000
Aberdeen Standard SICAV I – China A Share Equity Fund	–	8,907	–

11. Fair value hierarchy

IFRS 13 requires the Company to classify its investments in a fair value hierarchy that reflects the significance of the inputs used in making the measurements. IFRS 13 establishes a fair value hierarchy that prioritises the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy under IFRS 13 are as follows:

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

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

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

Selected Explanatory Notes to the Condensed Unaudited Financial Statements

Continued

The classification of the Company's investments held at fair value as at 30 April 2023 is detailed in the table below:

	30 April 2023 £'000	30 April 2022 £'000	31 October 2022 £'000
Instruments held at fair value through profit and loss			
Level 1	**258,920**	281,974	222,745
Level 2	**–**	–	–
Level 3	**1,049**	1,038	1,319
Total	**259,969**	283,012	224,064

The Company recognises transfers between levels of fair value hierarchy as at the date of the period end in which the change occurred.

There were no investments transferred between levels during the period (30 April 2022 and 31 October 2022 – £nil).

Level 1 classification basis. Investments, whose values are based on quoted market prices in active markets, and therefore classified within Level 1, include listed equities in active markets. The Company does not adjust the quoted price for these instrument.

Level 2 classification basis. Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include monthly priced investment funds. The underlying net asset values of the open ended funds included under Level 2 are prepared using industry accepted standards and the funds have a history of accepting and redeeming funds on a regular basis at net asset value. The net asset values of regularly traded open ended funds are considered to be reasonable estimates of the fair values of those investments and such investments are therefore classified within Level 2 if they do not meet the criteria for inclusion in Level 1.

Level 3 classification basis. Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. The level 3 figure consists of an investment in Komodo Fund. Komodo Fund is valued at the unadjusted net asset values provided by the administrator of that fund.

The movement on the level 3 classified investments is shown below:

	Six months to 30 April 2023 £'000	Six months to 30 April 2022 £'000	Year to 31 October 2022 £'000
Opening balance	**1,319**	1,358	1,358
Valuation adjustments[A]	**(270)**	(320)	(39)
Closing balance	**1,049**	1,038	1,319

[A] Total gains and losses for the period included in profit or loss relating to assets held at the end of the period.

12. Financial instruments – risk profile

The principal risks relating to financial instruments held by the Company remain the same as at the Company's last financial year end.

13. Post Balance Sheet events

Since the Period end, a further 484,714 Ordinary shares have been bought back and held in treasury at a cost of £2,326,000.

14. Half-Yearly Report

The financial information for the Period and for the six months ended 30 April 2022 has not been audited.

KPMG Channel Islands Limited has reviewed the financial information for the Period pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

15. This Half Yearly Financial Report was approved by the Board on 27 June 2023.

Alternative Performance Measures ("APMs")

Alternative performance measures 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 International Financial Reporting Standards and the Statement of Recommended Practice issued by Association of Investment Companies. 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 discount is the amount by which the share price is lower than the net asset value per share with debt at fair value, expressed as a percentage of the net asset value.

		30 April 2023	31 October 2022
NAV per Ordinary share	a	**580.93p**	511.98p
Share price	b	**497.00p**	448.00p
Discount	(a-b)/a	**14.4%**	12.5%

Net gearing/(cash)

Net gearing/(cash) 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 amounts due to and from brokers at the Period end.

		30 April 2023	31 October 2022
Borrowings (£'000)	a	**12,181**	-
Cash (£'000)		**5,722**	8,534
Amounts due to brokers (£'000)		**-**	(222)
Amounts due from brokers (£'000)		**-**	-
Cash and cash equivalents	b	**5,722**	8,312
Shareholders' funds (£'000)	c	**253,065**	231,843
Net gearing/(cash)	(a-b)/c	**2.6%**	(3.6%)

Ongoing charges

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of annualised investment management fees and administrative expenses and expressed as a percentage of the average daily net asset values with debt at fair value published throughout the year. The ratio for 30 April 2023 is based on forecast ongoing charges for the year ending 31 October 2023.

	30 April 2023	31 October 2022
Investment management fees[A] (£'000)	**1,791**	1,020
Administrative expenses[AB] (£'000)	**1,138**	913
Less: non-recurring charges (£'000)	**(15)**	-
Ongoing charges (£'000)	**2,914**	1,933
Average net assets (£'000)	**268,179**	319,519
Ongoing charges ratio	**1.09%**	0.60%

[A] The Ongoing charges ratio for the year to 31 October 2022 benefited from a six-month waiver of the management fee charged by abrdn plc and a 12 month waiver of marketing fees.
[B] The Company's ongoing charges figure does not reflect any costs of the underlying funds as the underlying information is not readily available.

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations which amongst other things, includes the cost of borrowings and transaction costs.

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. Share price and NAV total returns are monitored against open-ended and closed-ended competitors, and the Benchmark, respectively.

Six months ended 30 April 2023		NAV	Share price
Opening at 1 November 2022	a	**511.98p**	448.00p
Closing at 30 April 2023	b	**580.93p**	497.00p
Price movements	c=(b/a)-1	**13.5%**	10.9%
Dividend reinvestment[A]	d	**0.5%**	0.6%
Total return	c+d	**14.0%**	11.5%

Year ended 31 October 2022		NAV	Share price
Opening at 1 November 2021	a	**813.20p**	695.00p
Closing at 31 October 2022	b	**511.98p**	448.00p
Price movements	c=(b/a)-1	**(37.0%)**	(35.5%)
Dividend reinvestment[A]	d	**0.0%**	0.0%
Total return	c+d	**(37.0%)**	(35.5%)

[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.

Investor Information

Alternative Investment Fund Managers Directive ("AIFMD") and Pre-Investment Disclosure Document ("PIDD")

The Company has appointed abrdn Fund Managers Limited as its alternative investment fund manager and BNP Paribas S.A., Guernsey Branch as its Depositary under the AIFMD.

The AIFMD requires abrdn Fund Managers Limited, as the Company's AIFM, to make available to investors certain information prior to such investors' investment in the Company. Details of the leverage and risk policies which the Company is required to have in place under the AIFMD are published in the Company's PIDD which can be found on its website: **abrdnchina.co.uk**.

Investor Warning: Be alert to share fraud and boiler room scams

abrdn has been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for abrdn or for third party firms. abrdn has also been notified of emails claiming that certain investment companies under our management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for abrdn and any third party making such offers/ claims has no link with abrdn.

abrdn does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact our Customer Services Department.

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

Shareholder Enquiries

For queries regarding shareholdings, lost certificates, dividend payments, registered details and related matters, shareholders holding their shares directly in the Company are advised to contact the Registrars (see Company Information). Changes of address must be notified to the Registrars in writing.

Any general queries about the Company should be directed to the Company Secretary in writing (see Company Information) or by email to: **CEF.CoSec@abrdn.com.**

For questions about an investment held through the abrdn Investment Plan for Children, Investment Trust Share Plan or Investments Trust Stocks and Shares ISA, please telephone the Manager's Customer Services Department on **0808 500 0040**, email **inv.trusts@abrdn.com** or write to:

abrdn Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Dividend Tax Allowance

The annual tax-free personal allowance for dividend income for UK investors is £1,000 for the 2023/24 tax year. Above this amount, individuals pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company provides registered shareholders with a confirmation of dividends paid and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

How to Invest

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively, for retail clients, shares can be bought directly through the abrdn Investment Plan for Children, Share Plan or Investment Trusts ISA, or through the many stockbroker platforms which offer the opportunity to acquire shares in investment companies.

abrdn Investment Plan for Children

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

abrdn Share Plan

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

abrdn Investment Trust ISA

abrdn operates an Investment Trust ISA ("ISA") through which an investment may be made of up to £20,000 in the 2023/24 tax year.

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

ISA Transfer

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

Nominee Accounts and Voting Rights

All investments in the abrdn Investment Plan for Children, abrdn Share Plan and Investment Trusts ISA are held in nominee accounts and investors are provided with the equivalent of full voting and other rights of share ownership.

Keeping You Informed

Further information about the Company may be found on its dedicated website: **abrdnchina.co.uk.** This provides access to information on the Company's share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager.

The Company's Ordinary share price appears under the heading 'Investment Companies' in the Financial Times.

Details are also available at: **invtrusts.co.uk.**

Twitter
@abrdnTrusts

LinkedIn
abrdn Investment Trusts

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found on the Company's website.

Literature Request Service

For literature and application forms for abrdn' Investment Trust's products, please contact us through **invtrusts.co.uk**.

Or telephone: **0808 500 4000**

Or write to:
abrdn Investment Trusts
PO Box 11020
Chelmsford
Essex CM99 2DB

Investor Information

Continued

Terms and Conditions
Terms and conditions for abrdn managed savings products can also be found under the Literature section of the Manager's website at: **invtrusts.co.uk.**

Online Dealing
There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms.

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**.

Financial Advisers
To find an adviser who recommends on investment companies, visit: **unbiased.co.uk.**

Regulation of Stockbrokers
Before approaching a stockbroker, always check that they are regulated by the Financial Conduct Authority at **fca.org.uk/firms/financial-services-register**

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 company shares purchased will immediately be reduced by the difference between the buying and selling prices of the shares, known as the market maker's spread.

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

The information on pages 32 to 34 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Company Information

Directors
Helen Green (Chairman)
Mark Bridgeman
Eleonore de Rochechouart
Anne Gilding
Sarah MacAulay

Registered Office
BNP Paribas House
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St Peter Port
Guernsey GY1 1WA

Alternative Investment Fund Manager
abrdn Fund Managers Limited
280 Bishopsgate
London EC2M 4AG

Investment Manager
abrdn Hong Kong Limited
30/F LHT Tower
31 Queen's Road Central
Hong Kong

Company Secretary
abrdn Holdings Limited
1 George Street
Edinburgh EH2 2LL

Company Registration Number
Incorporated in Guernsey Number 50900

Website
abrdnchina.co.uk

Legal Entity Identifier ("LEI")
213800RIA1NX8DP4P938

United States Internal Revenue Service FATCA Registration Number ("GIIN")
WLL8YJ.99999.SL.831

Custodian and Administrator
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10 Harewood Avenue
London
NW1 6AA

Depositary
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BNP Paribas House
St Julian's Avenue
St Peter Port
Guernsey GY1 1WA

Registrars
Link Asset Services
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St Sampson
Guernsey GY2 4JN

Financial Adviser and Joint Corporate Broker
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Cassini House
57-58 St James's Street
London SW1A 1LD

Joint Corporate Broker
Numis Securities Limited
45 Gresham Street
London EC2V 7BF

Advisers as to Guernsey law
Mourant
Royal Chambers
St Julian's Avenue
St Peter Port, Guernsey GY1 4HP

Independent Auditor
KPMG Channel Islands Limited
Glategny Court
Glategny Esplanade
St Peter Port
Guernsey GY1 1WR

The Company

abrdn China Investment Company Limited is a closed-end investment company incorporated and resident in Guernsey and holds a Premium Listing on the London Stock Exchange. The Company became an investment trust with effect from 9 November 2021 and is registered in the United Kingdom for tax purposes.

Investment Objective

The Company's investment objective is to produce long-term capital growth by investing predominantly in Chinese equities.

Investment Policy

The Company invests in companies listed, incorporated or domiciled in the People's Republic of China ("China"), or companies that derive a significant proportion of their revenues or profits from China operations or have a significant proportion of their assets there. In furtherance of the investment policy, the portfolio will normally consist principally of quoted equity securities and depositary receipts although unlisted companies, fixed interest holdings or other non-equity investments may be held. Investments in unquoted companies will be made where the Investment Manager has a reasonable expectation that the company will seek a listing in the near future. The portfolio is actively managed and may be invested in companies of any size and in any sector.

The Company is expected to have an ESG rating equal to, or better than, the MSCI China All Shares Index and have meaningfully lower carbon intensity than the Index.

The portfolio is actively managed and the Company aims to outperform the MSCI China All Shares Index (in sterling terms). This index is used as a reference point for portfolio construction and as a basis for setting risk constraints, but does not incorporate any sustainability criteria. In order to achieve its objective, the Company will take positions whose weightings diverge from the index or invest in securities which are not included in the index. Investments may deviate significantly from the components of, and their respective weightings in, the MSCI China All Shares Index. Due to the active nature of the management process, the Company's performance profile may deviate significantly from that of the index.

The portfolio is expected normally to comprise between 30 and 60 securities (including any unlisted securities held) but may hold up to 100. No individual issuer will represent a greater weight in the portfolio than the lower of (i) 10% or (ii) its weight in the MSCI China All Shares Index (in sterling terms) plus 5%, as measured at the time of investment. The maximum permitted exposure to a single group is 20% of the Company's total assets, as measured at the time of investment.

The Company may continue to hold certain illiquid assets which were acquired prior to adoption of this policy pending their orderly disposal. These assets are not expected to represent a significant proportion of the portfolio.

Investment Manager

The Company's alternative investment fund manager is abrdn Fund Managers Limited which has delegated the investment management of the Company to abrdn Hong Kong Limited. Both companies are wholly owned subsidiaries of abrdn plc.

Index

MSCI China All Shares Index.