



abrdn New Dawn Investment Trust plc

Annual Report 30 April 2023

Investing in locally chosen, high quality, Asia Pacific companies

newdawn-trust.co.uk



The Company's Investment Manager is based in Singapore, where 4.9% of the Company's total assets are invested.



"Since the year end, the Board has announced that it has agreed heads of terms with the board of Asia Dragon Trust plc ("Asia Dragon") in respect of a proposed combination of the Company with Asia Dragon. Further details are set out in my Chairman's Statement."

Donald Workman, Chairman



"Asia Pacific equities declined over the 12 months to 30 April 2023, amid the uncertainty that weighed on markets globally."

James Thom and Xin-Yao Ng,
abrdn Asia Limited



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THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you are recommended to seek your own financial advice from your stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) if you are in the United Kingdom or, if not, from another appropriately authorised financial adviser.

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

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Performance Highlights

Net asset value total return^{AB}

-6.8%

2022

-11.0%

Share price total return^{AB}

-7.3%

2022

-11.8%

Benchmark total return^{BC}

-5.2%

2022

-9.2%

Ongoing charges^A

1.13%

2022

1.13%

Revenue return per share

4.82p

2022

3.71p

Dividend per Ordinary share

4.30p

2022

4.30p

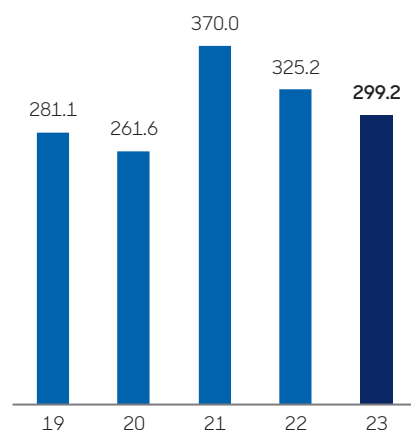
^A Alternative Performance Measure (see pages 105 to 108).

^B Total return represents capital return plus dividends reinvested.

^C MSCI AC Asia Pacific ex Japan Index

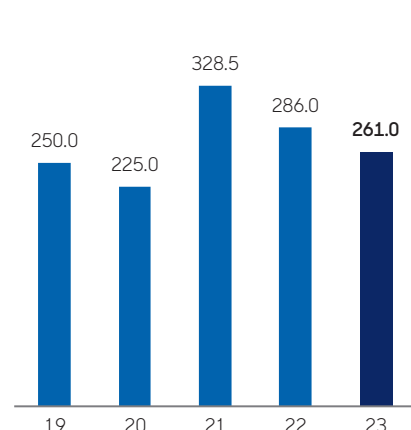
Net asset value per share

At 30 April – pence



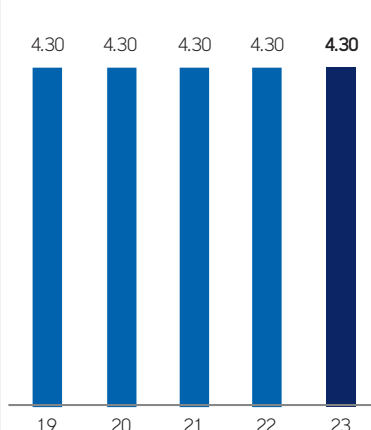
Mid-Market price per share

At 30 April – pence



Dividends per share

Year ended 30 April – pence



Performance Highlights

Continued

Financial Highlights

	30 April 2023	30 April 2022
Total assets (see definition on page 101)	£342,765,000	£380,434,000
Total equity shareholders' funds (net assets)	£314,133,000	£346,952,000
Market capitalisation	£274,027,000	£305,154,000
Net asset value per Ordinary share (including current year income)	299.20p	325.17p
Net asset value per Ordinary share (excluding current year income) ^{AB}	295.34p	322.43p
Share price (mid market)	261.00p	286.00p
Discount to net asset value per Ordinary share (including current year income) ^B	12.8%	12.0%
Discount to net asset value per Ordinary share (excluding current year income) ^{AB}	11.6%	11.3%
MSCI AC Asia Pacific ex Japan Index (currency adjusted, capital gains basis)	765.99	834.02
Net gearing ^B	8.5%	7.7%
Dividend and earnings		
Revenue return per share	4.82p	3.71p
Dividends per share ^C	4.30p	4.30p
Dividend cover ^B	1.12	0.86
Revenue reserves ^D	£13,245,000	£12,705,000
Operating costs		
Ongoing charges ratio ^B	1.13%	1.13%

^A Based on capital only NAV (see page 106 for further details).

^B Considered to be an Alternative Performance Measure (see pages 105 to 108 for details).

^C The figures for dividends reflect the years in which they were earned (see note 8 on page 76).

^D Prior to payment of the second interim dividend.

Strategic Report

The Company is an investment trust with a premium listing on the London Stock Exchange.

The Company's objective is to provide shareholders with a high level of capital growth through equity investment in the Asia Pacific countries ex Japan.

Chairman's Statement

Introduction

Before setting out my usual statement on the Company's annual results, I must draw your attention to an important announcement made by the Company since the year end. On 21 July 2023 the Board announced that it had agreed heads of terms with the board of Asia Dragon Trust plc ("Asia Dragon") in respect of a proposed combination of the Company with Asia Dragon. The combination, if approved by each company's shareholders, will be effected by way of a scheme of reconstruction and winding up of the Company under section 110 of the Insolvency Act 1986 with the associated transfer of part of the assets and undertaking of the Company to Asia Dragon in exchange for the issue of new ordinary shares in Asia Dragon (the "Scheme"). Under the terms of the Scheme an up to 25% cash exit opportunity will be offered to the Company's shareholders to realise part of their investment in the Company at a 2% discount to the formula asset value ("FAV") (less the costs of realigning the portfolio).

abrdn Fund Managers Limited ("aFML"), will, following implementation of the Scheme, continue to manage the enlarged Asia Dragon. The Asia Dragon board will propose certain amendments to Asia Dragon's investment policy to its shareholders which will principally align Asia Dragon's policy with the Company's current investment policy in order to permit investment into Australasia and provide the Investment Manager with equivalent geographic flexibility. Asia Dragon's existing benchmark comparative index (MSCI AC Asia (ex-Japan) Index) will be retained. The portfolio managers of the enlarged Asia Dragon will be James Thom and Prukka Iamthongthong, part of the same team that currently manages the Company's portfolio. aFML has agreed that the management fee payable by the enlarged Asia Dragon to aFML will be reduced to 0.75% (currently 0.85%) on the initial £350 million of Asia Dragon's net assets and 0.5% on Asia Dragon's net assets in excess of £350 million.

Asia Dragon offers a five-yearly performance-related conditional tender with the current performance period running from 1 September 2021 to 31 August 2026 ("2026 CTO"). It is proposed that, in the light of the proposals and conditional on the Scheme being implemented, the 2026 CTO will be amended such that, in the event Asia Dragon underperforms its benchmark over the performance period, Asia Dragon will offer shareholders the opportunity to tender up to a maximum of 15% of their shares; a reduction from the maximum of 25% previously proposed. This reflects the revised conditional tender being of broadly a similar size to that previously proposed for the 2026 CTO, given the greater scale of the enlarged Asia

Dragon. In addition to this, Asia Dragon's shareholders will have the opportunity to vote on the continuation of Asia Dragon at every fifth AGM with the next continuation vote to be put forward at the AGM in December 2026.

Both the Company and Asia Dragon invest in the Asia Pacific (ex-Japan) region, and both are managed by aFML with a high level of commonality across their shareholder bases. In light of these similarities, the Board believes a combination of the companies will create an enlarged vehicle that offers similar investment exposure for each set of shareholders while offering shareholders in the enlarged Asia Dragon (and therefore to Shareholders who roll into Asia Dragon) benefits that include greater secondary liquidity in Asia Dragon shares and cost efficiencies, including as result of the reduction in the management fee as referred to above.

Since the year end, the Board has announced that it has agreed heads of terms with the board of Asia Dragon Trust plc ("Asia Dragon") in respect of a proposed combination of the Company with Asia Dragon.

The Company and Asia Dragon have received irrevocable undertakings to support the proposals from shareholders representing 27.0% of the Company's issued share capital and 29.7% of Asia Dragon's issued share capital (as at 20 July 2023).

A circular to shareholders of the Company, providing details of the Scheme and convening general meetings to approve the Scheme, together with a prospectus published by Asia Dragon in respect of the issue of New Asia Dragon Shares in connection with the Scheme are expected to be published in September 2023. If approved, the proposals are anticipated to become effective in October 2023.

The Board believes that the proposals are in the best interests of shareholders as a whole. In the event that the Scheme does not go ahead, then the Company will make a separate announcement to shareholders in respect of the future of the Company.

Overview of the Year

Over the 12 months to 30 April 2023, the performance of the Company reflected a challenging environment for both Asian and global equity markets. The net asset value ("NAV") declined by 6.8% on a total return basis, compared to a fall of 5.2% in the benchmark, the MSCI All Countries Asia Pacific ex Japan Index (in Sterling terms). The share price fell by 7.3% on a total return basis, while the discount of the share price to the NAV was 12.8% at the year end.

Despite the underperformance for the year, it is worth noting that, over the longer term three and five year periods, as set out on page 16, both the NAV and share price total returns have outperformed the benchmark index.

Globally, concerns over the impact of monetary tightening, the threat of recession and the ongoing conflict in Ukraine weighed heavily on markets. The Company was not immune to this. But, while the Company's performance for the 12 months was challenging, it outperformed the more 'growth-centric' funds that were heavily impacted by the growth-to-value rotation, triggered by the abrupt shift in global monetary policy. This underlines the benefit of the Company's focus on quality, investing in companies with real competitive advantages, sound financial management and good corporate governance. It is these sorts of companies that tend to be more resilient in a tougher environment.

In the first half of the year, markets were unsettled by monetary tightening in response to high inflation, with several major central banks raising interest rates. Inflationary pressures in Asia have not been as acute as elsewhere, but investors are alert to the possibility of price increases in the region.

Market attention shifted to China in the second half of the year, with the country's sudden decision to reverse its strict Covid-19 restrictions towards the end of 2022. This move prompted hopes that a re-opening economy would stimulate domestic consumer demand and benefit export-oriented markets such as Taiwan and South Korea. Many Chinese stocks, including consumer discretionary and information technology companies, benefited. Yet, despite the pent-up domestic consumer demand, the potential positive effects have not yet fully translated into earnings growth for many companies. Other factors, such as worries over the health of the property sector and the regulatory crackdown on technology companies, have made China a tricky market for investors to navigate. Geopolitical tensions between the US and China have added to share-price volatility, especially for several Chinese technology and biotech

companies. Against this backdrop, the Company's performance in China lagged the benchmark over the period. However, the Board is confident in the approach adopted by the Investment Manager, focusing on the long-term benefits of quality companies in China and other countries in the region.

Detailed information on performance and portfolio activity for the year is contained in the Investment Manager's Review on pages 18 to 21.

Earnings and Dividend

Revenue earnings per share for the year were 4.82p (2022: 3.71p), an increase of 29.9% compared to the previous year. The Company benefited from a small number of special dividends from companies that had sustained strong earnings, as well as higher distributions from the large Australian miners, Rio Tinto and BHP following the spike in commodity prices.

The Board has declared a second interim dividend of 3.3p per share, making a total dividend for the year of 4.3p per share, unchanged from the previous year.

A first interim dividend of 1.0p per share was paid on 10 February 2023. As explained below, it is anticipated that the Company will convene an AGM to be held in October at the same time as the first general meeting in relation to the Scheme. Because of this, and in order to ensure that the Company's normal dividend paying cycle is maintained, rather than proposing a final dividend as we have done in previous years, the Board decided to declare a second interim dividend. Accordingly, a second interim dividend of 3.3p per share was declared on 31 July 2023 (2022: final dividend of 3.3p), making a total dividend for the year of 4.3p per share, unchanged from the previous year. The second interim dividend will be paid on 8 September 2023 to shareholders on the register on 11 August 2023.

Chairman's Statement

Continued

Gearing

At the end of the year, the Company's borrowing facilities amounted to £40 million, comprising a fixed rate loan of £20 million, which matures in December 2023 (with an interest rate of 2.626%), and a £20 million multi-currency revolving loan facility maturing in June 2024. An aggregate Sterling equivalent of £28.6 million was drawn down at the year-end and gearing (net of cash) was 8.5%, compared to 7.7% at the beginning of the year.

Share Buybacks

In common with other investment trusts, the Company has continued to buy back shares with the aim of providing a degree of liquidity to the market at times when the discount to the NAV has widened. It is the view of the Board that this policy is in the interests of all shareholders. The Board closely monitors the discount and reviews the operation of the share buy-back policy at each Board meeting.

During the year, the Company bought back 1.7 million shares, representing 1.6% of the issued share capital. These shares were bought back at a discount to NAV and were accretive to the Company, and are held in treasury. The Company's stated policy on treasury shares is that they can only be re-issued to the market at a premium to the NAV per share at that time.

The Company has maintained a diverse portfolio of high-quality investments, well positioned to navigate turbulent market conditions and take advantage of the strong structural secular trends across Asia.

Annual General Meeting ("AGM")

As a result of the proposal for the Company to merge with Asia Dragon, it is anticipated that the Company will convene an AGM to be held in October at the same time as the first general meeting in relation to the Scheme. The notice of the AGM will be contained in the Scheme circular.

For those shareholders who roll their holdings into Asia Dragon, the Directors of abrdn New Dawn who join the Board of Asia Dragon very much look forward to meeting you at Asia Dragon's AGM later this year.

Outlook

Growth forecasts in the Asia-Pacific region are ahead of many other parts of the world, as domestic demand has remained robust in a tighter global monetary environment. What lingers in investors' minds is whether these forecasts will hold, in an environment that is becoming increasingly uncertain, with rising geopolitical tensions, recessionary fears and higher interest rates slowly making more of an impact.

In times like these, where markets are volatile and unsettled, an investment process focused on quality can provide resilience. The benefits of an active investment approach can bring opportunities and enable investors to sidestep parts of the market that are most exposed to risks and uncertainties. The Company has maintained a diverse portfolio of high-quality investments, well positioned to navigate turbulent market conditions and take advantage of the strong structural secular trends across Asia.

These long-term regional drivers include the aspirations of a growing middle class, urbanisation, clean energy, and digitalisation, which are likely to reward patient investors in a region where individual countries typically have different outlooks. Despite short-term ebbs and flows, China and India, the two most populous nations worldwide, offer attractive long-term growth opportunities with the likelihood of positive effects on the other countries in Asia.

Many of the challenges in the market over the past year undoubtedly remain, but the Board continues to believe that the Investment Manager's focus on quality and seeking out companies with sound fundamentals is the best approach to ensure that the Company meets its stated investment objective, and that shareholders will continue to benefit from this approach under the merger proposals.



Donald Workman
Chairman
16 August 2023

Overview of Strategy

Business Model

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

Investment Objective

The Company's investment objective is to provide shareholders with a high level of capital growth through equity investment in the Asia Pacific countries ex Japan.

Investment Policy

Asset Allocation

The Company's assets are invested in a diversified portfolio of securities in quoted companies spread across a range of industries and economies in the Asia Pacific region excluding Japan. Investments may also be made through collective investment schemes and in companies traded on stock markets outside the Asia Pacific region provided that over 75% of their consolidated revenue is earned from trading in the Asia Pacific region or they hold more than 75% of their consolidated net assets in the Asia Pacific region.

Gearing

The Board is responsible for determining the gearing strategy for the Company. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent this is considered appropriate to do so. As at 30 April 2023, the Company had net gearing of 8.5% which compares with a current maximum limit set by the Board of 25%. Borrowings are short to medium term and particular care is taken to ensure that any bank covenants permit maximum flexibility of the investment policy.

Risk Diversification

It is the investment policy of the Company to invest no more than 15% of its gross assets in other listed investment companies (including investment trusts). As at 30 April 2023, 2.8% of the Company's gross assets were invested in listed investment companies.

The Company may invest in derivatives, financial instruments, money market instruments and currencies for the purposes of efficient portfolio management (i.e. for the purpose of reducing, transferring or eliminating investment risk in the Company's investments, including any technique or instrument used to provide protection against foreign exchange and credit risks).

The Company may only make material changes to its investment policy with the approval of shareholders in the form of an ordinary resolution. In addition, any material changes to the Company's investment policy will require the prior approval of the Financial Conduct Authority.

Delivering the Investment Policy

The Directors are responsible for determining the Company's investment objective and investment policy. Day-to-day management of the Company's assets has been delegated, via the AIFM, to the Investment Manager.

Board Investment Limits

In addition to the limits set out in the investment policy, the Investment Manager is authorised by the Board to invest up to 15% of the Company's gross assets in any single stock, calculated at the time an investment is made.

Investment Process

Information on the investment process and risk management strategies and controls employed by the Investment Manager is contained on page 92.

Benchmark

The Company compares its performance to the MSCI All Countries Asia Pacific ex Japan Index (Sterling adjusted).

Promoting the Success of the Company

The Board's statement on pages 13 to 15 describes how the Directors have discharged their duties and responsibilities over the course of the financial year under section 172 (1) of the Companies Act 2006 and how they have promoted the success of the Company for the benefit of the members as a whole.

Principal Risks and Uncertainties

The Company's statement of principal risks and uncertainties forms part of the Strategic Report and is included on pages 22 to 23.

Overview of Strategy

Continued

Key Performance Indicators ("KPIs")

The Board uses a number of financial performance measures to assess the Company's success in achieving its objective and determining the progress of the Company in pursuing its investment policy. The main KPIs, which are considered at each Board meeting, are shown in the table below and further commentary on the performance for the year is provided in the Chairman's Statement on pages 6 to 8.

KPI	Description
Performance against benchmark index	The Board measures performance against the benchmark index – the Sterling – adjusted MSCI All Countries Asia Pacific ex Japan Index. The figures for this year and the past three and five years, and a graph showing performance against the benchmark index over the past five years, are set out on pages 16 and 17.
Revenue return per Ordinary share	The Board monitors the Company's net revenue return. The revenue returns per Ordinary share for each of the past 10 years are set out on page 16.
Dividends per share	The Board monitors the Company's annual dividends per Ordinary share. The dividends per share for each of the past 10 years are set out on page 16.
Share price performance	The Board monitors the performance of the Company's share price on a total return basis. The share price performance figures for this year and the past three and five years, and a graph showing performance against the benchmark index over the past five years, are set out on pages 16 and 17.
Discount/premium to NAV	The discount/premium of the share price relative to the NAV per share is closely monitored by the Board, including the potential annual requirement to hold a continuation vote at the Annual General Meeting, as set out under "Duration" on pages 11 to 12. The discount at the year end is disclosed on page 4 and a chart showing the discount for the past five years is shown on page 17.
Ongoing charges	The Board regularly monitors the Company's operating costs. Ongoing charges for the year and the previous year are disclosed on page 4.

Promotional Activities

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the rating of the Company's shares. The Board believes one effective way to achieve this is through subscription to, and participation in, the promotional programme run by the abrdn Group on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by the abrdn Group. The Company also supports the Manager's investments' investor relations programme which involves regional roadshows to existing and potential shareholders, promotional and public relations campaigns. The Manager's promotional and investor relations teams report to the Board on a quarterly basis giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

The purpose of the promotional and investor relations programmes is both to communicate effectively with existing shareholders and to gain new shareholders, with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of the Company is key. The promotional programme includes commissioning independent paid for research on the Company, most recently from Marten & Co. A copy of the latest research note is available from the Company's website.

Environmental, Social and Human Rights Issues

The Company has no employees as the Board has delegated the day-to-day management and administrative functions to the Manager. There are therefore no disclosures to be made in respect of employees.

Modern Slavery Act

Due to the nature of its business, being a company that does not offer goods and services to customers, the Board considers that the Company is not within the scope of the Modern Slavery Act 2015. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

Environmental, Social and Governance ("ESG") Matters

The Investment Manager's approach to ESG matters is included on pages 93 to 97.

The UK Stewardship Code and Proxy Voting

The Company supports the UK Stewardship Code, and seeks to play its role in supporting good stewardship of the companies in which it invests. Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager. abrdn plc is a tier 1 signatory of the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long term investment return to shareholders. While delivery of stewardship activities has been delegated to the Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports on a quarterly basis on stewardship (including voting) issues.

Global Greenhouse Gas Emissions

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

Under Listing Rule 15.4.29(R), the Company, as a closed ended investment company, is exempt from complying with the Task Force on Climate-related Financial Disclosures.

Duration

The Company does not have a fixed life. However, under its Articles of Association, if, in the 90 days preceding the Company's financial year end (30 April), the Ordinary shares have been trading, on average, at a discount in excess of 15% to the underlying NAV (including current year income, and with borrowings stated at market value) over the same period, notice will be given of an ordinary resolution to be proposed at the following Annual General Meeting to approve the continuation of the Company. If the resolution for the continuation of the Company is not passed at that Annual General Meeting or at any

Overview of Strategy

Continued

adjournment thereof, the Directors will convene a general meeting to be held not more than three months after the Annual General Meeting at which a special resolution for the winding-up of the Company will be proposed. In the 90 days to 30 April 2023 the average discount to the underlying NAV (including current year income, and with borrowings stated at market value) of the Ordinary shares was 12.6% and therefore no continuation resolution will be put to the Company's shareholders at this year's Annual General Meeting.

Viability Statement

As set out in more detail in the Charman's Statement on page 6, it is proposed that the Company combines with Asia Dragon Trust plc ("Asia Dragon"). The combination, if approved by each company's shareholders, will be effected by way of a scheme of reconstruction and winding up of the Company under section 110 of the Insolvency Act 1986 and the associated transfer of part of the assets and undertaking of the Company to Asia Dragon in exchange for the issue of new ordinary shares in Asia Dragon (the "Scheme"). The outcome of the general meetings to make the Scheme effective represents a material uncertainty in the context of the preparation of these financial statements on a going concern basis.

Notwithstanding this material uncertainty, for the purposes of this viability statement, the Board has decided that three years is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long term horizon and the inherent uncertainties of looking out further than three years.

In assessing the viability of the Company over the review period, the Directors have also focused upon the following factors:

- The principal risks and uncertainties detailed on pages 22 to 23 and the steps taken to mitigate these risks.
- The role of the Audit and Risk Committee in reviewing and monitoring the Company's internal control and risk management systems (see the Audit and Risk Committee's Report on pages 53 to 55).
- The ongoing relevance of the Company's investment objective.
- The liquidity of the Company's portfolio. All of the Company's investments are in quoted securities in active markets or in collective investment schemes, and are considered to be liquid.
- The closed-ended nature of the Company which means that it is not subject to redemptions.
- The use of the Company's share buy back and share issuance policies to help address any imbalance of supply and demand for the Company's shares.
- The current and maximum levels of gearing, compliance with loan covenants and level of headroom within the financial covenants (see note 12 to the financial statements for details of loan covenants).
- The ability of the Company to refinance its loan facilities, on or before maturity.
- The potential requirement of the Board to propose a resolution to approve the continuation of the Company at future Annual General Meetings. As explained above, this is dependent upon the level of discount in the 90 days preceding the Company's financial year end and there is no requirement for such a resolution to be proposed at the Annual General Meeting.
- Regulatory or market changes.
- The level of the Company's ongoing charges.
- The robustness of the operations of the Company's third party service providers.

In making its assessment, the Board has considered that there are other matters that could have an impact on the Company's prospects or viability in the future, including the current conflict in Ukraine, economic shocks, significant stock market volatility, and changes in regulation or investor sentiment.

Outlook

The Board's view on the general outlook for the Company can be found in the Chairman's Statement on page 8 whilst the Investment Manager's views on the outlook for the portfolio are included on page 21.

On behalf of the Board

Donald Workman

Chairman

16 August 2023

Promoting the Success of the Company

Introduction

Section 172 (1) of the Companies Act 2006 (the "Act") requires each Director to act in the way he/she considers, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole.

The Board is required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year under that provision of the Act (the "Section 172 Statement"). This statement provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account, amongst other things, the likely long term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The Purpose of the Company and Role of the Board

The purpose of the Company is to act as a vehicle to provide, over time, financial returns (both income and capital) to its shareholders. Investment trusts, such as the Company, are long-term investment vehicles and are typically externally managed, have no employees, and are overseen by an independent non-executive board of directors. The Company's investment objective and investment policy are contained within the Overview of Strategy on page 9.

The Board, which at the end of the year comprised five non-executive Directors, four of whom are independent of the Manager, has a broad range of skills and experience across all major functions that affect the Company. The Board retains responsibility for taking all decisions relating to the Company's investment objective and policy, gearing, corporate governance and strategy, and for monitoring the performance of the Company's service providers.

The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. The Board reviews the culture and manner in which the Manager and Investment Manager operate at its meetings and receives regular reporting and feedback from the other key service providers. The Board is very conscious of the ways it promotes the Company's culture and ensures as part of its regular oversight that the integrity of the Company's affairs is foremost in mind in the way that the activities are managed and promoted. The Board works very closely with the Manager and Investment Manager in reviewing how stakeholder issues are handled, ensuring good governance and responsibility in managing the Company's affairs, as well as visibility and openness in how the affairs are conducted.

The Company's main stakeholders are shareholders (who are also the Company's 'customers'), the Manager (and Investment Manager), service providers, investee companies, the debt provider and, more broadly, the environment and community.

How the Board Engages with Stakeholders

The Board considers its stakeholders at Board meetings and receives feedback on the Manager's interactions with them.

Promoting the Success of the Company

Continued

Stakeholder	How We Engage
Shareholders	Shareholders are key stakeholders and the Board places great importance on communication with them. The Board welcomes all shareholders' views and aims to act fairly to all shareholders. The Manager and Company's Stockbroker regularly meet with current and prospective shareholders to discuss performance and shareholder feedback is discussed by the Directors at Board meetings. In addition, Directors attend meetings with the Company's largest shareholders and meet other shareholders at the Annual General Meeting. The Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns. Regular updates are provided to shareholders through the Annual Report, Half Yearly Report, monthly factsheets, Company announcements, including daily net asset value announcements, and the Company's website.
Manager (and Investment Manager)	The Investment Manager's Review on pages 18 to 21 details the key investment decisions taken during the year. The Investment Manager has continued to manage the Company's assets in accordance with the mandate provided by shareholders, with oversight provided by the Board. The Board regularly reviews the Company's performance against its investment objective and the Board undertakes an annual strategy review meeting to ensure that the Company is positioned well for the future delivery of its objective for its stakeholders. The Board receives presentations from the Investment Manager at every Board meeting to help it to exercise effective oversight of the Investment Manager and the Company's strategy. The Board, through the Management Engagement Committee, formally reviews the performance of the Manager at least annually. More details are provided on page 46.
Service Providers	The Board seeks to maintain constructive relationships with the Company's suppliers either directly or through the Manager with regular communications and meetings. The Management Engagement Committee conducts an annual review of the performance, terms and conditions of the Company's main service providers to ensure they are performing in line with Board expectations and providing value for money.
Investee Companies	Responsibility for monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager. The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports on a quarterly basis on stewardship (including voting) issues. Through engagement and exercising voting rights, the Investment Manager actively works with companies to improve corporate standards, transparency and accountability. Further details are provided on page 11. The Manager reports regularly to the Board on investment and engagement activity.

Stakeholder	How We Engage
Debt Provider	On behalf of the Board, the Manager maintains a positive working relationship with The Royal Bank of Scotland International Limited, the provider of the Company's loan facilities, and provides regular updates on business activity and compliance with its loan covenants.
Environment and Community	The Board and Manager are committed to investing in a responsible manner and the Investment Manager embeds Environmental, Social and Governance ("ESG") considerations into the research and analysis as part of the investment decision-making process. Further details are provided on pages 93 to 97.

Specific Examples of Stakeholder Consideration During the Year

While the importance of giving due consideration to the Company's stakeholders is not a new requirement, and is considered during every Board decision, the Directors were particularly mindful of stakeholder considerations during the following decisions undertaken during the year ended 30 April 2023. Each of these decisions was made after taking into account the short and long terms benefits for stakeholders.

Portfolio

The Investment Manager's Review on pages 18 to 21 details the key investment decisions taken during the year. In the opinion of the Board, the performance of the investment portfolio is the key factor in determining the long term success of the Company. Accordingly, at each Board meeting the Directors discuss performance in detail with the Investment Manager. In addition, the Board considers how the Investment Manager incorporates ESG issues into its research and analysis work that forms part of the investment decision process.

As explained in more detail on page 46, during the year the Management Engagement Committee decided that the continuing appointment of the Manager was in the best interests of shareholders.

Dividend

Since the year end, the Board has declared a second interim dividend in respect of the year ended 30 April 2023, of 3.3p per Ordinary share. Following payment of the second interim dividend on 8 September 2023, total dividends for the year will amount to 4.3p per Ordinary share, unchanged compared to the previous year.

Share Buy Backs

During the year the Company bought back 1,706,000 Ordinary shares to be held in treasury, providing a small accretion to the NAV per share and a degree of liquidity to the market at times when the discount to the NAV per share had widened in normal market conditions. It is the view of the Board that this policy is in the interest of all shareholders.

Proposed Combination with Asia Dragon plc

As set out in more detail in the Charman's Statement on page 6, following the year end, on 21 July 2023, the Company announced a proposal for the Company to combine with Asia Dragon Trust plc ("Asia Dragon"). The combination, if approved by each company's shareholders, will be effected by way of a scheme of reconstruction and winding up of the Company under section 110 of the Insolvency Act 1986 and the associated transfer of part of the assets and undertaking of the Company to Asia Dragon in exchange for the issue of new ordinary shares in Asia Dragon (the "Scheme").

The Board believes a combination of the companies will create an enlarged vehicle that offers similar investment exposure for each set of shareholders while offering shareholders in the enlarged Asia Dragon (and therefore to Shareholders who roll into Asia Dragon) benefits that include greater secondary liquidity in Asia Dragon shares and cost efficiencies.

On behalf of the Board

Donald Workman

Chairman

16 August 2023

Performance

Performance (total return)

	1 year return %	3 year return %	5 year return %
Net asset value ^A	-6.8	+18.9	+17.9
Share price ^A	-7.3	+21.3	+19.9
MSCI AC Asia Pacific ex Japan Index (currency adjusted)	-5.2	+16.7	+14.0

^A Alternative Performance Measure (see pages 105 to 108).

Ten Year Financial Record

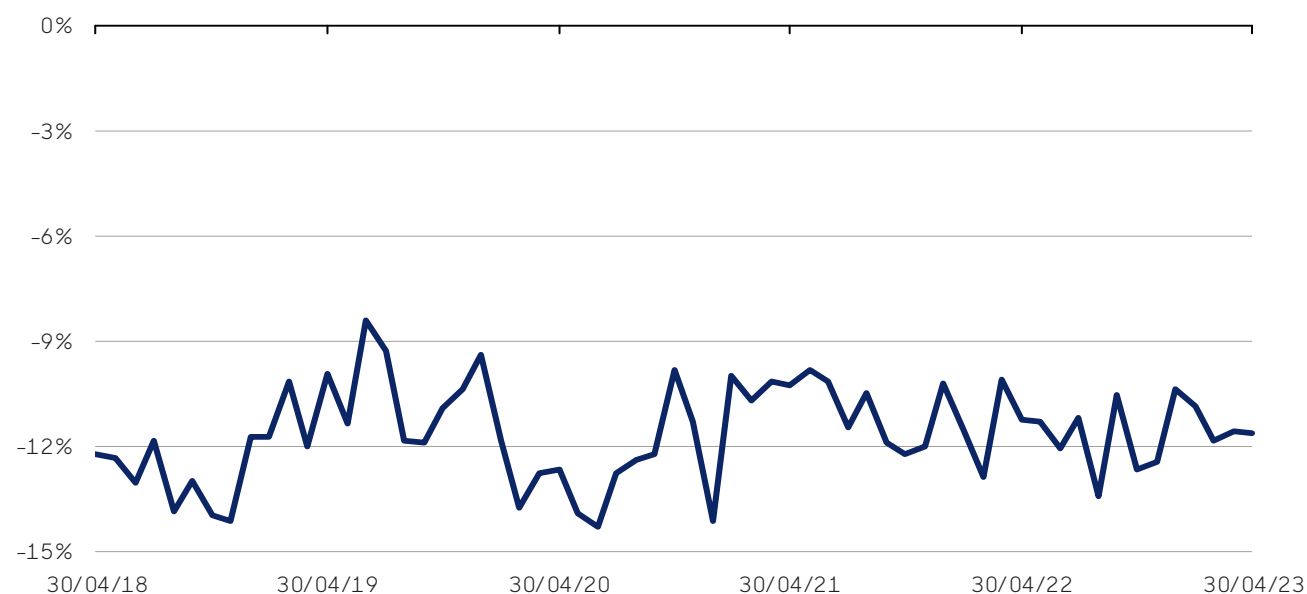
Year to 30 April	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total revenue (£'000)	6,819	7,412	7,004	6,922	7,481	7,442	7,738	7,558	6,670	7,612
Per share (p)										
Net revenue return	3.79	4.18	4.06	4.05	4.47	4.30	4.61	4.24	3.71	4.82
Total return	(18.68)	31.74	(34.72)	68.66	30.97	11.88	(15.45)	112.18	(41.10)	(22.18)
Net dividends paid/proposed	3.60	3.80	3.90	4.00	4.30	4.30	4.30	4.30	4.30	4.30
Net asset value	188.49	216.67	179.43	244.90	272.41	281.12	261.63	369.97	325.17	299.20
Shareholders' funds (£'000)	234,762	269,398	216,243	286,191	311,816	314,411	289,285	403,005	346,952	314,133

Dividends

	Rate per share	XD date	Record date	Payment date
First interim 2023	1.00p	5 January 2023	6 January 2023	10 February 2023
Second interim 2023	3.30p	10 August 2023	11 August 2023	8 September 2023
Total 2023	4.30p			
Interim 2022	1.00p	6 January 2022	7 January 2022	11 February 2022
Final 2022	3.30p	4 August 2022	5 August 2022	9 September 2022
Total 2022	4.30p			

Share Price Discount to Net Asset Value (excluding current year revenue)

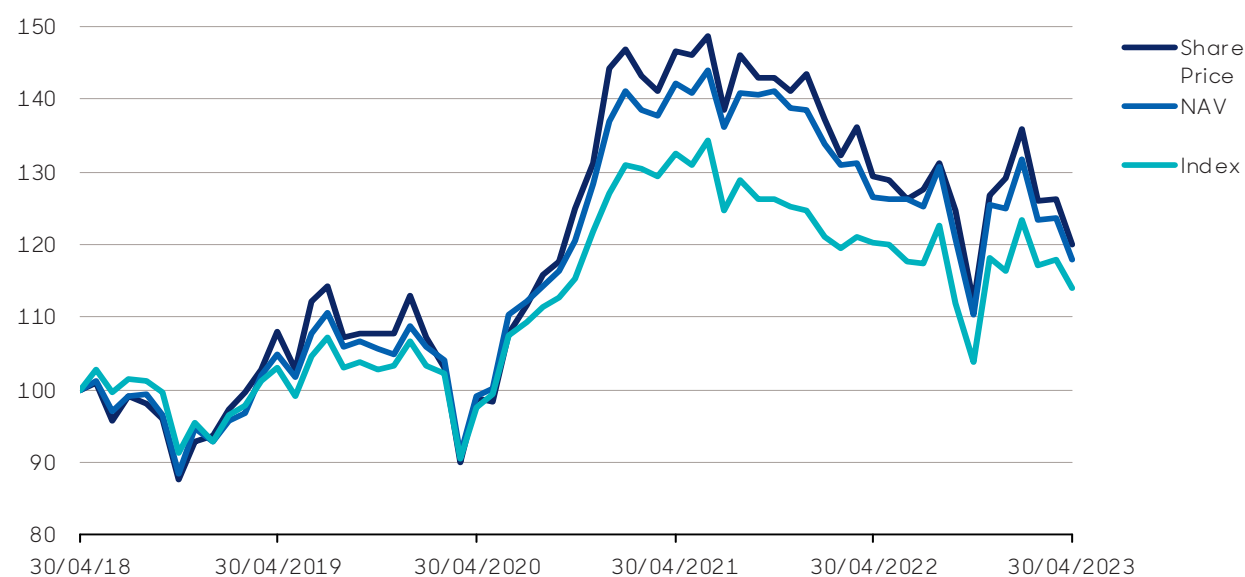
Five years to 30 April 2023



Source: Morningstar

Total Return of NAV and Share Price vs MSCI AC Asia Pacific ex Japan Index (Sterling adjusted)

Five years to 30 April 2023 (rebased to 100 at 30 April 2018)



Source: abrdn, Morningstar & Lipper

Investment Manager's Review

Market and Portfolio Review

Asia Pacific equities declined over the 12 months to 30 April 2023, amid the uncertainty that weighed on markets globally. A combination of higher inflation, accelerated by the ongoing conflict in Ukraine, tightening monetary policies, rising input costs and recent banking sector events in the West have sparked fears of a global economic recession. Against this backdrop, the Company's net asset value ("NAV") and share price, both in total returns terms, declined 6.8% and 7.3%, respectively, and lagged the benchmark, which declined by 5.2%. However, as shown on page 16, over the past three and five years, the Company's NAV and share price total returns have done better than the benchmark, highlighting the support from our high-quality holdings.

In terms of performance, the portfolio's direct exposure to China was the main detractor, which was partly offset by the position in Hong Kong. Chinese authorities announced an unexpected U-turn from their "zero-Covid" policy to a complete re-opening in late 2022. However, the negative impacts from prolonged lockdowns and regulatory pressures, especially on the property sector, could not be quickly undone. While many of the holdings in the portfolio, especially in the technology and consumer discretionary sectors, stand to benefit from the re-opening, we have yet to see corporate earnings increase meaningfully. To this end, gaming company **Sands China** was a key performer, being a direct beneficiary of the re-opening and easing travel restrictions. Its recent quarterly results were ahead of the market's expectations. Insurer **AIA Group** and beer company **Budweiser Brewing** added to returns amid a recovery in the Hong Kong market. We view both as high-quality exposures to China's growth.

The exposure to Chinese renewable energy companies was not beneficial to performance, with poor share price performances from **Yunnan Energy New Material** and **LONGi Green Energy Technology**, partly as investors chased opportunities from the re-opening. Yunnan's shares were volatile after an announcement of a probe into its chairman and vice chairman. We subsequently sold the position as our conviction in the company diminished. Having said that, on a positive note, the holding in **Sungrow Power Supply** was beneficial following robust results, especially in the most recent quarter. China's strained relations with the US was another aspect over the period that affected investor sentiment. Pharmaceutical company **Wuxi Biologics**, a company that has fundamentally performed well, detracted due to a series of regulatory hurdles where two of its subsidiaries were temporarily added by the US to a trade restriction list before being removed by the end of December.

Meanwhile, the Chinese government announced further supportive measures to help the property sector recovery and appears to be easing its regulatory scrutiny into technology companies. These changes, together with investors moving towards value, benefited technology companies later in the financial year. However, while technology companies, including **Tencent**, have started to benefit from the re-opening, online retailer **JD.com** underperformed due to concerns around slowing growth and high competition.

A combination of higher inflation, accelerated by the ongoing conflict in Ukraine, tightening monetary policies, rising input costs and recent banking sector events in the West have sparked fears of a global economic recession.

In terms of portfolio positioning and strategy, we added more positions in China over the year as we remain confident in the holdings and the turnaround potential post the re-opening, especially in the technology sector. We therefore added to several internet and consumer holdings such as **Tencent** and **Kweichow Moutai** that should benefit from an increase in consumer confidence and spending. In the healthcare sector, we initiated **Aier Eye Hospital**, China's largest domestic private eyecare hospital chain. Its demand is supported by the ageing population, rising living standards, and government policies to improve the accessibility and standards of drugs and healthcare. We also bought Chinese food delivery and local services app company **Meituan Dianping**, which we regard as a long-term growth story which should benefit from China's shift towards a service-driven economy and increasing online penetration. Against these additions to the portfolio, we exited the industrial automation business **Shenzhen Inovance Technology**. It is a highly cyclical business and felt the impact of a sharp drop in property construction, while rising raw material and freight costs weighed on its margins.

The portfolio's exposure to India, through the **Aberdeen Standard SICAV I – Indian Equity Fund**, did not do well this year, as the market was dominated by one conglomerate throughout the period – Adani Group. The Indian Equity Fund does not hold any Adani companies as we consider the group to be low quality, but this event had an impact on the market as a whole.

In terms of portfolio positioning and strategy, we added more positions in China over the year as we remain confident in the holdings and the turnaround potential post the re-opening, especially in the technology sector.

Elsewhere, in Vietnam, the holding in **Mobile World** lagged the benchmark. In South Korea, **LG Chem** performed well as markets expect increased demand for its petrochemical business after China's re-opening. We think the momentum of its electric vehicle batteries business is attractive. The Australian holdings also benefited performance as mining companies such as **BHP** performed well, benefiting from the spike in commodity prices. During the year, we also received shares in the oil and gas company **Woodside Energy** from a corporate action.

The Company's holdings in the information technology ("IT") sector weighed on performance, driven in part by the market's negative sentiment towards the sector. The portfolio's positions in **Taiwan Semiconductor Manufacturing Company ("TSMC")** and **Samsung Electronics** lagged the benchmark, while the holding in **ASML** was beneficial. While ASML's shares rose in value due to a gradual improvement of the macroeconomic outlook and better visibility of the semiconductor cycle, an escalation of US-China tensions partly weighed on the share price performance. A case study on this holding is included on page 34. Over the year, we responded to the looming fears of a global recession and soft demand outlook for IT by reducing exposure to internet companies. We remain optimistic for a sector-wide turnaround within the next financial year and continue to gradually add back to the semi-conductor and hardware positions. Elsewhere, the consumer discretionary sector also weighed on performance due to relative weakness in consumer confidence and spending. However, as mentioned above, we expect a turnaround in consumption, especially with the re-opening in China.

Meanwhile, in the banking sector, the collapse of two US regional banks and the takeover of Credit Suisse by UBS in Europe raised concerns of contagion effects. However, the Company's holdings in Asian banks were not directly impacted by these events and remain well insulated, with strong balance sheets, while also benefiting from increasing net interest margins. On that note, Indonesia's **Bank Central Asia** and **Oversea-Chinese Banking Corporation** and **DBS Group Holdings** in Singapore contributed positively to performance. Meanwhile, we maintain the overweight and well-diversified exposure to the healthcare sector as we expect a turnaround in consumer spending to benefit those holdings.

Environmental, Social and Governance ("ESG")

ESG remains a core focus area as we continue to invest in high-quality companies. We are convinced that companies with strong ESG practices are more resilient, especially during turbulent times. To that end, we have invested in our resources to ensure we continue to identify strong stewards of ESG. For instance, when investing in Woodside Energy, we considered the effect of its decarbonisation strategy.

Investment Manager's Review

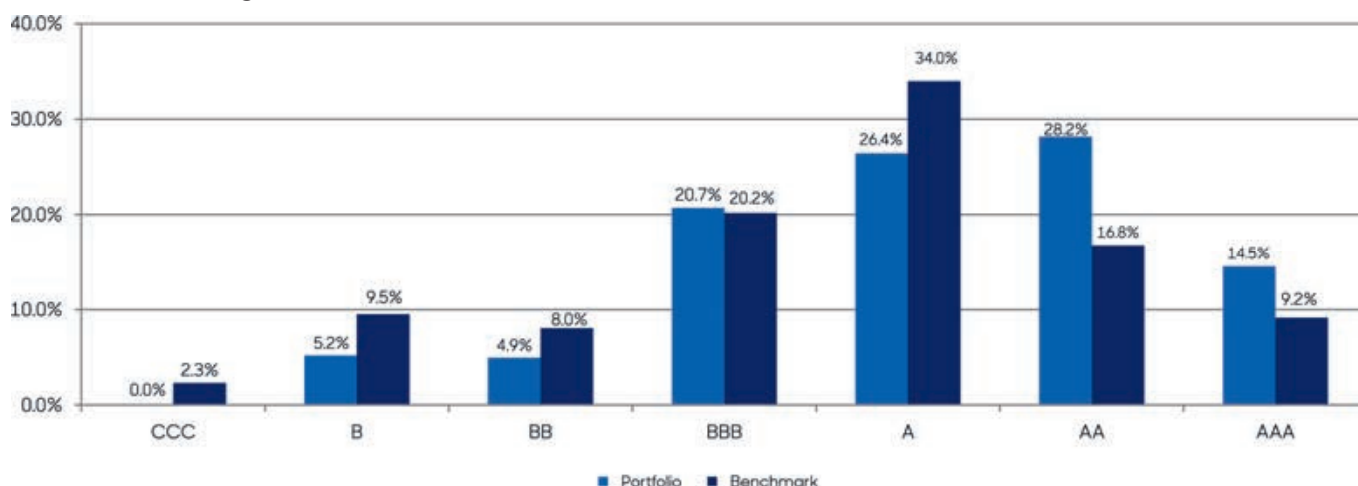
Continued

We frequently engage with investee companies to review their progress in ESG matters and ensure they meet our standards. For example, during the year we engaged with Tencent to better understand its policies and progresses around data security and privacy. Tencent provided a comprehensive multi-vector analysis of its data security and privacy management and noted the limited instances where data might be shared with the government and its protection policies around this process. Subsequently, we noted it had published several privacy and data security policies on its website, following our suggestions to improve disclosure. Tencent had also applied to become a United Nations Global Compact signatory, highlighting its commitment to ESG. Furthermore, it has removed the mandate to re-issue repurchased shares and reduced its general issuance mandate from 20% to 10%. It is also committed to achieving 30% female representation on its board by 2030, which we are monitoring.

Meanwhile, we continued our long-standing engagement with Samsung Electronics by attending its annual general meeting ("AGM") in person in Suwon, South Korea. While we had a one-to-one discussion with management ahead of the AGM to engage on agenda items and enhanced disclosures, the AGM provided an opportunity to meet the directors and show our support for the company's ongoing efforts to make progress on governance and disclosure.

The table below sets out the MSCI ESG rating of the portfolio compared to the benchmark.

MSCI ESG Rating Distribution



Source: abrdn and MSCI. Data as at 31 December 2022.

Outlook

Investors continue to navigate uncertain times due to global macroeconomic challenges and geopolitical volatility. That said, inflation is more benign in Asia, especially in China, providing support to the region's economic health. Furthermore, Asian banks have not had any direct impact from the banking sector events in the US and Europe. While China remains a challenging market, we expect its re-opening to increase consumer confidence and consumption, as well as support Southeast Asian economies.

The technology sector would benefit from re-opening tailwinds and an increase in consumer spending. We think the technology cycle will bottom out in the near future and see the potential for a meaningful recovery in this calendar year. While there has been a lag of re-opening tailwinds translating into earnings growth, markets expect technology companies to produce higher earnings in the next financial year. Therefore, we are confident of the portfolio's sizable exposure to the sector and continue to add to companies with strong fundamentals and potential for outperformance. Elsewhere, we are optimistic that a surge in consumption would support the holdings in the consumer discretionary and healthcare sectors.

Amid the ongoing uncertainty, we believe our focus on investing in quality companies with solid fundamentals will prove beneficial over the long term and help your Company navigate challenging market conditions.

Within India, we expect the holdings in the commodities and financials sectors to benefit from cyclical tailwinds and policy support. In Australia, the inflationary effects on commodity prices should continue to help mining and energy companies, despite a challenging macroeconomic backdrop.

Amid the ongoing uncertainty, we believe our focus on investing in quality companies with solid fundamentals will prove beneficial over the long term and help your Company navigate challenging market conditions.



James Thom and Xin-Yao Ng

abrdn Asia Limited
16 August 2023

Principal Risks and Uncertainties

The Board carries out a regular review of the risk environment in which the Company operates, changes to the environment and individual risks. The Board also considers emerging risks which might affect the Company. During the year, the most significant emerging risks were inflation and rising interest rates and the resultant volatility that these factors created in global stock markets. In addition, the conflict in Ukraine and continued tensions between China and the USA have created geo-political uncertainties which have further increased market risk and volatility (see exogenous risks below).

There are a number of other risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has carried out a robust assessment of the Company's principal and emerging risks, which include those that would threaten its business model, future performance, solvency, liquidity or reputation.

The principal and emerging risks and uncertainties faced by the Company are reviewed by the Audit and Risk Committee in the form of risk matrices. The principal risks and uncertainties facing the Company at the current time, together with a description of the mitigating actions the Board has taken, are set out in the table below.

The principal risks associated with an investment in the Company's shares are published monthly in the Company's factsheet and they can be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are available on the Company's website.

Risk	Trend	Mitigating Action
Investment strategy and objectives – the setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand may lead to the Company becoming unattractive to investors, a decreased demand for its shares and a widening discount.		The Board keeps the level of discount at which the Company's shares trade, as well as the investment objective and policy, under review and holds an annual strategy meeting where it reviews investor relations reports and updates from the Investment Manager and the Company's Stockbroker. The Directors are updated at each Board meeting on the composition of, and any movements in, the shareholder register.
Investment management – poor stock selection or investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and an inability to meet the Company's objectives, as well as a widening discount.		The Board meets the Manager on a regular basis and keeps investment performance under close review. Representatives of the Investment Manager attend all Board meetings and a detailed formal appraisal of the abrdn Group is carried out annually by the Management Engagement Committee. The Board sets, and monitors, the investment restrictions and guidelines, and receives regular reports which include performance reporting on the implementation of the investment policy, the investment process and application of the guidelines. The Board also monitors the Company's share price relative to the NAV per share.
Income/dividends – the level of the Company's dividends and future dividend growth will depend on the performance of the underlying portfolio. Any change in the tax treatment of dividends or interest received by the Company may reduce the level of net income available for the payment of dividends to shareholders.		The Directors review detailed income forecasts at each Board meeting. The Company has built up significant revenue reserves which can be drawn upon if required should there be a shortfall in revenue returns.

Risk	Trend	Mitigating Action
Financial – the financial risks associated with the portfolio could result in losses to the Company.		The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are mitigated, to some extent, by the Investment Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 17 to the financial statements.
Gearing – a fall in the value of the Company's investment portfolio could be exacerbated by the impact of gearing. It could also result in a breach of loan covenants.		The Board sets the gearing limits within which the Investment Manager can operate. Gearing levels and compliance with loan covenants are monitored on an ongoing basis by the Manager and at regular Board meetings. In the event of a possible impending covenant breach, appropriate action would be taken to reduce borrowing levels. In addition, abrdn Fund Managers Limited, as the Alternative Investment Fund Manager, has set overall leverage limits as set out on page 104.
Regulatory – failure to comply with relevant laws and regulations (including the Companies Act, The Financial Services and Markets Act, The Alternative Investment Fund Managers Directive, accounting standards, investment trust regulations, the Packaged Retail and Insurance-based Investment Products Regulations, the Listing Rules, Disclosure Guidance and Transparency Rules, Prospectus Rules and corporate governance regulations) could result in fines, loss of reputation and potentially loss of an advantageous tax regime.		The Board and Manager monitor changes in government policy and legislation which may have an impact on the Company, and the Audit and Risk Committee monitors compliance with regulations by reviewing internal control reports from the Manager. From time to time the Board employs external advisers to advise on specific matters.
Operational – the Company is dependent on third parties for the provision of all systems and services (in particular, those of the abrdn Group) and any control failures and gaps in their systems and services, including in relation to cyber security, could result in fraudulent activities or a loss or damage to the Company. Written agreements are in place with all third party service providers.		The Board receives reports from the Manager on its internal controls and risk management throughout the year, including those relating to cyber crime, and receives assurances from all its other significant service providers on at least an annual basis. The Manager monitors closely the control environments and quality of services provided by third parties, including those of the Depositary, through service level agreements, regular meetings and key performance indicators. Further details of the internal controls which are in place are set out in the Audit and Risk Committee's Report on pages 53 to 54.
Exogenous risks such as health, social, financial, economic and geo-political – the financial impact of such risks, associated with the portfolio or the Company itself, could result in losses to the Company.		Exogenous risks over which the Company has no control are always a risk. The diversified nature of the portfolio and a managed level of gearing all serve to provide a degree of protection in times of volatile markets.

Portfolio



A large field of solar panels under a clear blue sky. The panels are arranged in rows and are tilted towards the sun. The sky is a deep blue with a few wispy clouds. The panels are made of a dark material with a grid of thin lines. The metal frames of the panels are visible, and they are supported by a system of poles and brackets. The ground is covered in green grass and some low-lying plants.

ESG remains a core focus area as we continue to invest in high-quality companies. We are convinced that companies with strong ESG practices are more resilient, especially during turbulent times.

Ten Largest Investments

As at 30 April 2023



abrdn SICAV I – Indian Equity Fund

A tax-efficient pooled India fund with a long-term investment approach managed by the same team managing the Company.



Taiwan Semiconductor Manufacturing Company ("TSMC")

As the world's largest pure-play semiconductor manufacturer, TSMC provides a full range of integrated services for its clients, along with a robust balance sheet and good cash generation that enable ongoing investments in cutting-edge technology and innovation.



AIA Group

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



Tencent Holdings

The internet giant continues to strengthen its ecosystem, and the Investment Manager sees tremendous potential in Tencent's advertising business as it starts monetising its social media and payment platforms.



Samsung Electronics Pref

A global leader in the memory chips segment, and a major player in smartphones and display panels. It has a vertically-integrated business model and robust balance sheet, alongside good free cash flow generation. The Company owns preferred shares, which trade at a discount to the ordinary shares.



BHP Group

The Australian natural resources group has a strong suite of assets and diverse earnings streams, with organic growth opportunities, healthy cash flow and a solid balance sheet supporting the potential for additional returns to shareholders. It is also a proxy for China and the emerging markets' secular growth story.



CSL

An Australia-listed biopharmaceutical company that is a leader in the global plasma products market. The company enjoys superior growth and returns because of its highly efficient collection and processing system, coupled with its commitment to research and development.



Budweiser Brewing

The company is among the largest and most profitable beer brewers in Asia, with strong premium beer brand equity and an extensive distribution network.



ASML

The Dutch company supplies lithography equipment that enables semiconductor chip makers to mass produce patterns on silicon, helping to make computer chips smaller, faster and greener. It earns most of its revenue from Asia.



LG Chem

South Korea's LG Chem is the world's largest electric vehicle ("EV") battery producer by order backlog. Its leading position in EV batteries, housed under its energy solutions unit, is well supported by a strong base in its core chemicals business that is robust, highly cash generative and has proven to be resilient through cycles.

Investment Portfolio

As at 30 April 2023

Company	Industry	Country	Valuation 2023 £'000	Total assets ^A %	Valuation 2022 £'000
abrdn SICAV I – Indian Equity Fund ^B	Collective Investment Scheme	India	48,348	14.1	48,696
Taiwan Semiconductor Manufacturing Company	Semiconductors & Semiconductor Equipment	Taiwan	27,125	7.9	32,261
AIA Group	Insurance	Hong Kong	21,690	6.3	19,372
Tencent Holdings	Interactive Media & Services	China	18,908	5.5	16,844
Samsung Electronics Pref	Technology Hardware, Storage & Peripherals	South Korea	16,637	4.8	27,893
BHP Group	Metals & Mining	Australia	12,892	3.8	12,401
CSL	Biotechnology	Australia	10,574	3.1	11,785
Budweiser Brewing	Beverages	Hong Kong	9,894	2.9	5,320
ASML	Semiconductors & Semiconductor Equipment	Netherlands	8,798	2.6	7,828
LG Chem	Chemicals	South Korea	7,766	2.3	5,654
Top ten investments			182,632	53.3	
Bank Central Asia	Banks	Indonesia	7,759	2.3	9,921
Alibaba Group	Broadline Retail	China	7,671	2.2	5,801
Oversea-Chinese Banking Corporation	Banks	Singapore	7,380	2.2	9,261
abrdn New India Investment Trust ^B	Closed End Investments	India	6,985	2.0	7,384
DBS Group Holdings	Banks	Singapore	6,833	2.0	10,871
Woodside Energy	Oil, Gas & Consumable Fuels	Australia	6,665	2.0	-
Cochlear	Health Care Equipment & Supplies	Australia	6,373	1.9	7,097
Kweichow Moutai – A shares	Beverages	China	5,966	1.7	4,210
M.P. Evans Group	Food Products	United Kingdom	4,949	1.4	5,512
China Tourism Group Duty Free ^C	Specialty Retail	China	4,942	1.4	6,120
Top twenty investments			248,155	72.4	

Investment Portfolio

Continued

As at 30 April 2023

Company	Industry	Country	Valuation 2023 £'000	Total assets ^A %	Valuation 2022 £'000
Ayala Land	Real Estate Management & Development	Philippines	4,909	1.4	6,270
Meituan Dianping – Class B	Hotels, Restaurants & Leisure	China	4,902	1.4	–
Hong Kong Exchanges & Clearing	Capital Markets	Hong Kong	4,859	1.4	6,462
Shenzhen Mindray Bio–Medical Electronics – A shares	Health Care Equipment & Supplies	China	4,836	1.4	4,271
Telekom Indonesia	Telecommunications Service Providers	Indonesia	4,748	1.4	–
Samsung Biologics	Life Sciences Tools & Services	South Korea	4,379	1.3	5,013
China Merchants Bank – A shares	Banks	China	4,228	1.2	5,893
Sands China	Hotels, Restaurants & Leisure	Hong Kong	4,175	1.2	2,649
Wuxi Biologics (Cayman)	Life Sciences Tools & Services	China	4,021	1.2	6,019
FPT Group	IT Services	Vietnam	3,920	1.2	3,970
Top thirty investments			293,132	85.5	
Rio Tinto (London Listing)	Metals & Mining	Australia	3,699	1.1	4,182
JD.com	Broadline Retail	China	3,399	1.0	1,258
Cisarua Mountain Dairy	Food Products	Indonesia	3,284	0.9	2,900
Yonyou Network Technology – A shares	Software	China	3,113	0.9	1,664
Aier Eye Hospital Group – A shares	Health Care Providers & Services	China	3,073	0.9	–
LONGi Green Energy Technology – A shares	Semiconductors & Semiconductor Equipment	China	3,036	0.9	4,644
Sungrow Power Supply – A shares	Electrical Equipment	China	3,033	0.9	3,597
China Resources Land	Real Estate Management & Development	China	2,996	0.9	3,435
Mobile World	Specialty Retail	Vietnam	2,977	0.9	5,175
abrdn Asia Focus ^B	Closed End Investments	Other Asia	2,959	0.8	3,310
Top forty investments			324,701	94.7	

As at 30 April 2023

Company	Industry	Country	Valuation 2023 £'000	Total assets ^A %	Valuation 2022 £'000
Foshan Haitan Flavouring & Food Co – A shares	Food Products	China	2,648	0.8	–
NARI Technology – A shares	Electrical Equipment	China	2,576	0.8	3,869
Venture Corp	Electronic Equipment, Instruments & Components	Singapore	2,501	0.7	2,444
Zhongsheng Group	Specialty Retail	China	2,407	0.7	2,318
John Keells Holdings	Industrial Conglomerates	Sri Lanka	2,011	0.6	1,624
Centre Testing International Group – A shares	Professional Services	China	1,902	0.6	2,251
GDS – A shares	IT Services	China	1,853	0.5	3,114
Total investments			340,599	99.4	
Net current assets^D			2,166	0.6	
Total assets^A			342,765	100.0	

^A As defined on page 101.

^B Holding also managed by the abrdn Group but not subject to double charging of management fees.

^C Holding comprises of A & H shares.

^D Excluding short-term bank loans of £28,632,000

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

Changes in Asset Distribution

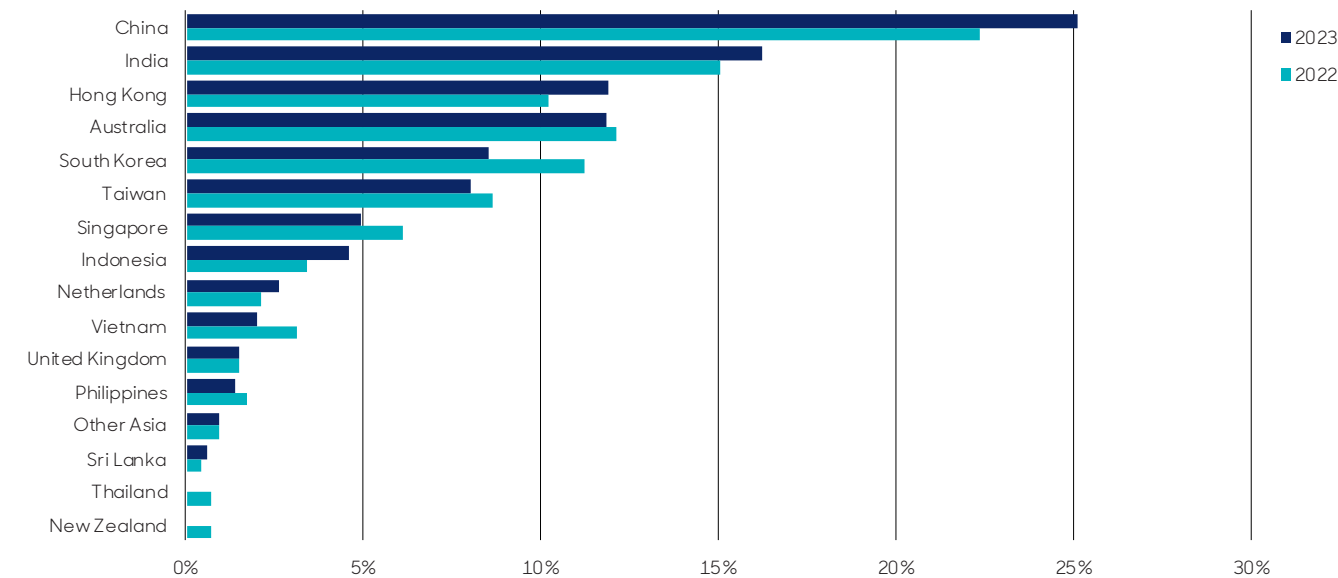
Country	Value at 30 April 2022 £'000	Purchases £'000	Sales proceeds £'000	Appreciation/ (depreciation) £'000	Value at 30 April 2023 £'000
Australia	45,187	10,903	(15,530)	(357)	40,203
China	83,286	36,026	(18,519)	(15,283)	85,510
Hong Kong	38,038	5,417	(6,172)	3,335	40,618
India	56,080	4,250	–	(4,997)	55,333
Indonesia	12,821	5,410	(3,587)	1,147	15,791
Netherlands	7,828	1,804	(1,249)	415	8,798
New Zealand	2,699	–	(2,432)	(267)	–
Other Asia	3,310	–	–	(351)	2,959
Philippines	6,270	–	–	(1,361)	4,909
Singapore	22,576	653	(7,384)	869	16,714
South Korea	41,846	851	(10,960)	(2,955)	28,782
Sri Lanka	1,624	–	–	387	2,011
Taiwan	32,261	3,341	(5,015)	(3,462)	27,125
Thailand	2,703	–	(2,463)	(240)	–
United Kingdom	5,512	–	–	(563)	4,949
Vietnam	11,656	1,073	(2,469)	(3,363)	6,897
Total investments	373,697	69,728	(75,780)	(27,046)	340,599
Net current assets^A	6,737	–	–	(4,571)	2,166
Total assets less current liabilities	380,434	69,728	(75,780)	(31,617)	342,765

^A Excluding short-term bank loans of £28,632,000 (2022 – £13,504,000).

Geographical/Sector Analysis

Geographic

As at 30 April 2023

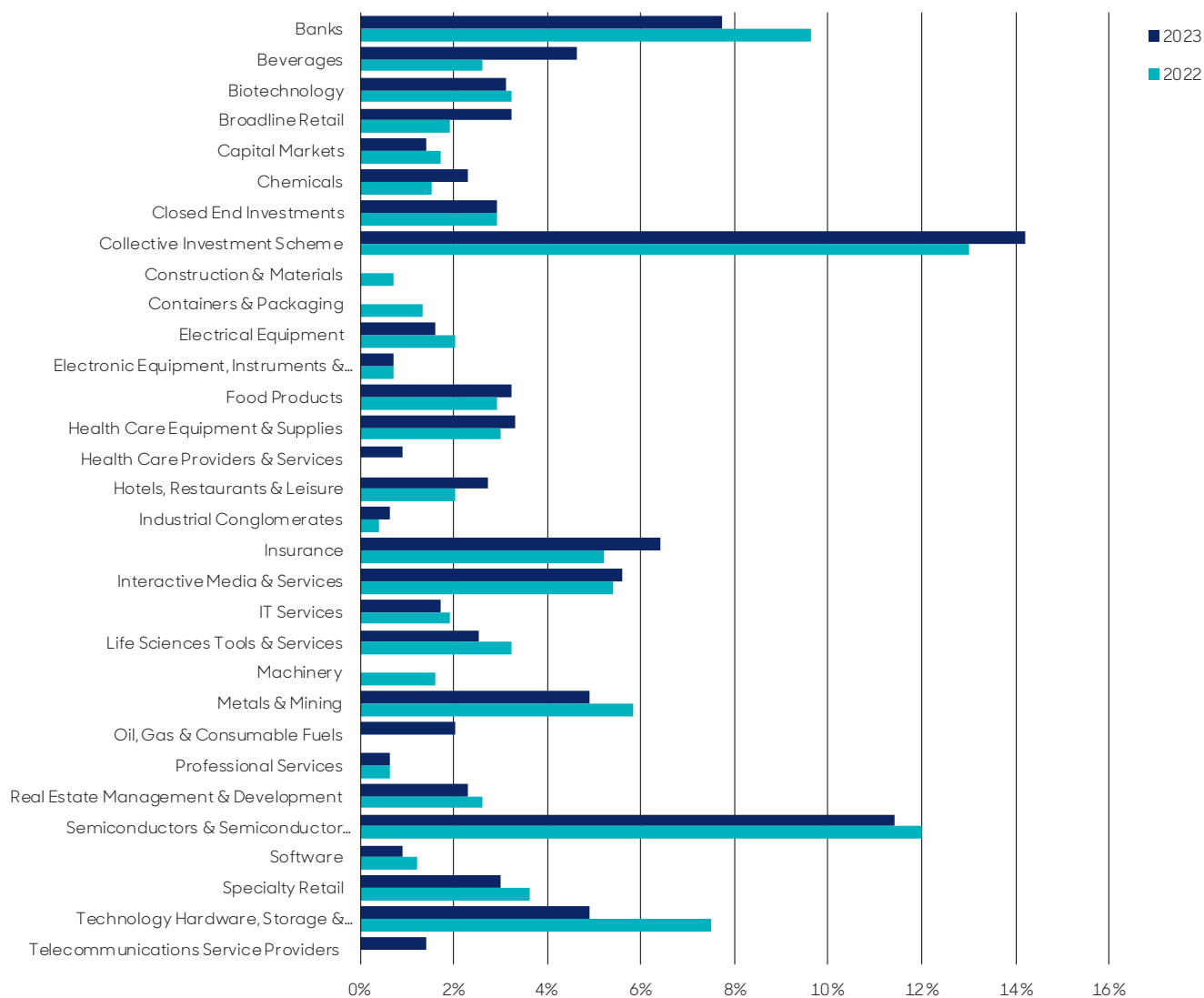


Geographical/Sector Analysis

Continued

Sector

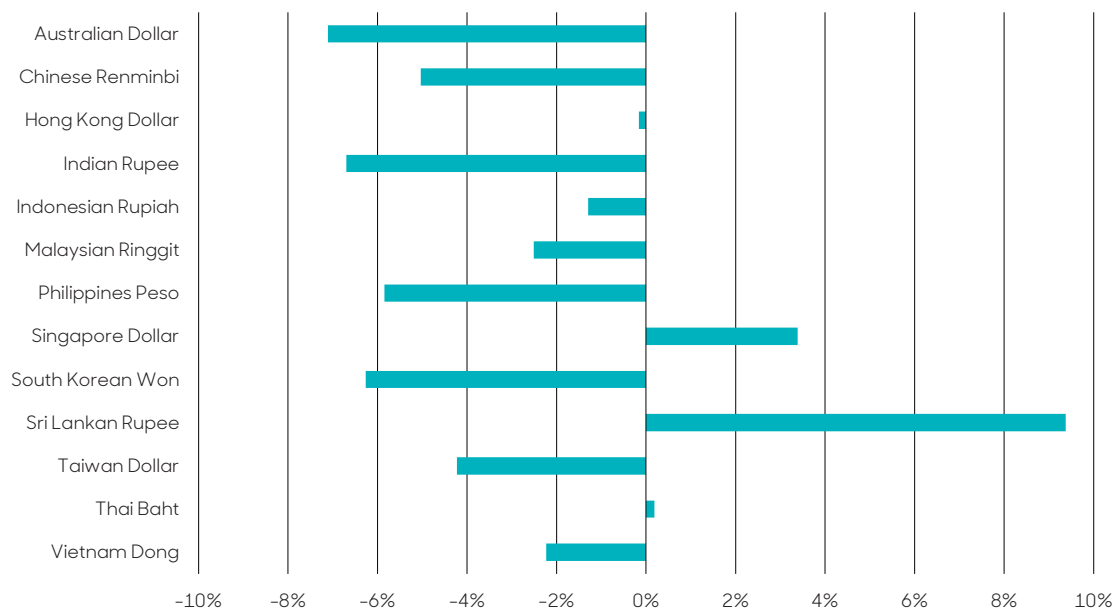
As at 30 April 2023



Currency/Market Performance

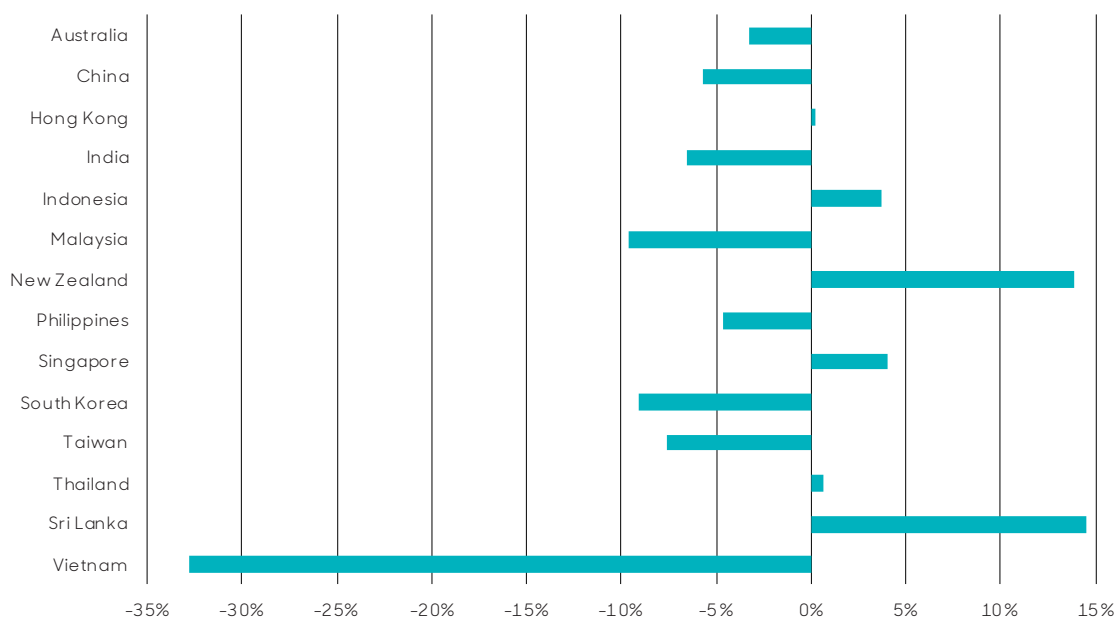
Currency Returns (£)

Year to 30 April 2023



MSCI Country Total Returns (£)

Year to 30 April 2023



Investment Case Studies



ASML

ASML's lithography technology lies at the heart of semi-conductor chip production. It enables chipmakers to etch patterns on silicon at scale. This means chipmakers can create microchips that are more powerful, faster and energy efficient.

The company has a global team of more than 39,000 people from 143 different nationalities, and its operations are spread across Europe, Asia and the US. It earns most of its revenue from Asia.

ASML's technological edge is one of the main reasons the Investment Manager likes this company. They view it as a global innovation leader in the chip industry. All its research and development efforts are focused on lowering the cost of chip production and improving efficiency. This singular focus has resulted in a near monopolistic position in this niche market. The company's extreme ultraviolet ("EUV") lithography technology uses a wavelength of just 13.5nm, which is close to the x-ray range. It is cutting edge enough to pattern very fine lines on microchips and is integral to the manufacturing of the most advanced, next generation, microchips that use 7nm, 5nm and 3nm nodes.

All this translates into a superior financial profile, including healthy margins, a very high return on capital and a net-cash balance sheet. Since the Investment Manager first invested in ASML in March 2020 for the portfolio, it has delivered a total return of close to 140% up to the end of April 2023.

The Investment Manager sees ASML continuing to retain its edge with its growth prospects underpinned by rising lithography usage in logic and Dynamic Random Access Memory ("DRAM") capital expenditure, amid an overall rise in capital expenditure intensity through the semi-conductor industry. This would be aligned with continued structural growth in demand for applications like smartphones, 5G, Artificial Intelligence ("AI"), cloud computing, gaming and autonomous driving.

In terms of ESG, the company's lithography machines improve the energy usage and adoption of semi-conductor chips across various industries including data centres, automotives, communication and renewable energy. ASML's sustainability ambition is also evident across other ESG aspects, such as halving the waste generated by its operations by 2025, and targeting net-zero greenhouse gas emissions in its supply chain by 2030. With such robust initiatives, ASML has consistently maintained its MSCI ESG rating of AAA (the highest grade) since an upgrade from AA in 2019.

China Tourism Group Duty Free

Every year, millions of tourists visit China Tourism Group Duty Free's ("CTGDF") 200-plus retail stores in airports, train stations and local holiday destinations across China. In fact, the world's largest travel retail operator claims to serve nearly 200 million primarily domestic travellers every year.

Established in 1984, CTGDF has grown rapidly over the past four decades. Its operations are spread across four major business units – airport duty-free, offshore duty-free (in Hainan Island), downtown duty-free (at pre-departure locations) and wholesale. Online orders have also become a prominent source of the company's sales, accelerated by evolving consumption habits during the Covid-19 pandemic.

The company is one of the Investment Manager's key domestic consumption holdings in China. They like the company for several reasons: first, it is a good proxy for the rising demand for high-end duty-free cosmetics and skincare products in the country; and secondly, policymakers have been wanting to bring overseas spending on duty-free products by Chinese travellers back onshore. In particular, authorities have been steadily loosening restrictions around the lucrative duty-free industry in China, including in the popular tourist destination of Hainan.

CTGDF is the dominant company in this segment, with strong product-procurement capability, a healthy financial profile, and prime store locations that mean it is well positioned to capture significant upside from expanding the addressable market, including outside the mainland into Hong Kong, Macau, and Cambodia.

It is currently the only company with operating permits for all types of duty-free stores in China. While entry restrictions have been relaxed in recent years, new entrants are likely to face challenges in terms of obtaining permits, which are not unlimited, and finding cost-effective supplier resources.

On the ESG front, the Investment Manager has engaged with CTGDF and found the company responsive to its suggestions. The company is working with brands to promote sustainability awareness and improving customer engagement. Apart from creating a framework and leadership group to spearhead ESG efforts, the management team is proactively communicating disclosures with external ratings agencies. This has helped deliver ratings upgrades from independent ESG data providers such as MSCI.



Governance

An aerial photograph of Hong Kong, showing the dense urban skyline with numerous skyscrapers, including the prominent Bank of China Tower. The city is situated along the coast, with a large harbor in the foreground. Several ships are visible in the water, leaving white wakes. In the background, there are green mountains under a blue sky with scattered white clouds.

11.9% of the Company's total assets
are invested in Hong Kong.

An aerial photograph of Hong Kong, showing the dense urban landscape with numerous skyscrapers and buildings. The city is situated on a peninsula, with the harbor in the foreground and the sea extending to the horizon. The water is a deep blue-green color, and several ships are visible in the harbor. The sky is blue with scattered white clouds. The text is overlaid on the upper left portion of the image.

The Company is registered as a public limited company and has been approved by HM Revenue & Customs as an investment trust. The Company is committed to high standards of corporate governance and applies the principles identified in the UK Corporate Governance Code and the AIC Code of Corporate Governance.

Board of Directors



Donald Workman

Independent Non-Executive Chairman

Experience:

Donald Workman had an executive career at The Royal Bank of Scotland PLC until 2016 where, over a period of 23 years, he held a number of senior positions which latterly included acting as Executive Chairman of the group's Asia Pacific business. He was a member of the RBS Group Executive Committee from 2014. He was also an independent non-executive director of Standard Life Private Equity Trust plc between 2006 and 2013. He is currently non-executive Chairman of JCB Finance Limited.

Length of service:

4 years, appointed a Director on 1 October 2018 and Chairman on 4 September 2019

Last re-elected to the Board:

6 September 2022

Committee membership:

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

Contribution:

The Nomination Committee has reviewed the contribution of Donald Workman and has concluded that he has continued to chair the Company expertly. He fosters a collaborative spirit between the Board and Manager whilst ensuring that meetings remain focused on the key areas of stakeholder relevance. In addition, he has provided significant insight to Board deliberations through his significant financial and business experience.



Marion Sears

Senior Independent Non-Executive Director

Experience:

Marion Sears had an executive career in stockbroking and investment banking and was latterly a Managing Director of Investment Banking at JPMorgan. She is also a non-executive director of Dunelm Group plc, Keyword Studios plc and WH Smith plc.

Length of service:

7 years, appointed a Director on 1 August 2016 and Senior Independent Director on 2 September 2020

Last re-elected to the Board:

6 September 2022

Committee membership:

Audit and Risk Committee, Management Engagement Committee and Nomination Committee

Contribution:

The Nomination Committee has reviewed the contribution of Marion Sears and has concluded that she continues to provide significant business and financial insight to the Board and knowledge of the investment trust sector.



Stephen Souchon

Independent Non-Executive Director and Chairman of the Audit and Risk Committee

Experience:

Stephen Souchon had an executive career at Morgan Stanley until 2015 where, over a period of 22 years, he held a number of senior positions in the finance function and was latterly head of the EMEA Corporate Financial Control Group. He is a Chartered Accountant and is currently a non-executive director and Chairman of the Audit Committee of SMBC Nikko Capital Markets Limited and a non-executive director and Chairman of the Audit Committee of TD Bank Europe Limited.

Length of service:

3 years, appointed a Director on 1 October 2019

Last re-elected to the Board:

6 September 2022

Committee membership:

Audit and Risk Committee (Chairman), Management Engagement Committee and Nomination Committee

Contribution:

The Nomination Committee has reviewed the contribution of Stephen Souchon and has concluded that he continues to chair the Audit and Risk Committee expertly and provides significant insight to the Board through his business, risk and financial experience.



Nicole Yuen

Independent Non-Executive Director

Experience:

Nicole Yuen is a Hong Kong resident and a graduate of the University of Hong Kong and Harvard Law School. She had an executive career initially in law and subsequently in equities with UBS and latterly Credit Suisse (Hong Kong) where she was Chief Operating Officer for the Greater China region and subsequently Managing Director, Head of Equities, North Asia until 2018. She is also a non-executive director of Interactive Brokers Group, Inc.

Length of service:

2 years, appointed a Director on 1 January 2021

Last re-elected to the Board:

6 September 2022

Committee membership:

Audit and Risk Committee, Management Engagement Committee and Nomination Committee

Contribution:

The Nomination Committee has reviewed the contribution of Nicole Yuen and has concluded that she continues to provide significant insight through her perspective of Asian markets and economies.

Board of Directors

Continued



Hugh Young

Non-Executive Director

Experience:

Hugh Young was an investment manager with Fidelity International and MGM Assurance prior to joining what is now abrdn in December 1985. He founded the Manager's Singapore-based business in 1992 as its regional headquarters and is currently Chairman of the Manager's Asian business. He is also a director of The India Fund Inc.

Length of service:

34 years, appointed a Director on 2 May 1989

Last re-elected to the Board:

6 September 2022

Committee membership:

Nomination Committee

Contribution:

The Nomination Committee has reviewed the contribution of Hugh Young and has concluded that he continues to provide significant investment insight to the Board and knowledge of markets in the Asia Pacific region.

Directors' Report

The Directors present their report and the audited financial statements for the year ended 30 April 2023.

Results and Dividends

The financial statements for the year ended 30 April 2023 are contained on pages 66 to 89. A first interim dividend of 1.0p per Ordinary share was paid on 10 February 2023 and the Board has declared a second interim dividend in respect of the year ended 30 April 2023, of 3.3p per Ordinary share, payable on 8 September 2023 to shareholders on the register on 11 August 2023. The relevant ex-dividend date is 10 August 2023.

Investment Trust Status

The Company is registered as a public limited company (registered in England and Wales No. 02377879) and is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company has been approved by HM Revenue & Customs as an investment trust subject to it continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 May 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 30 April 2023 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

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

Capital Structure

The issued Ordinary share capital at 30 April 2023 consisted of 104,991,348 Ordinary shares of 5p and 7,874,351 shares held in treasury. During the year the Company purchased 1,706,000 Ordinary shares to be held in treasury and it cancelled 4,233,350 treasury shares. Since the end of the year, the Company has purchased a further 420,000 Ordinary shares to be held in treasury. At the date of approval of this Report there were 104,571,348 Ordinary shares of 5p in issue and 8,294,351 shares held in treasury.

Voting Rights

Each Ordinary shareholder is entitled to one vote on a show of hands at a general meeting of the Company and, on a poll, to one vote for every share held. The Ordinary shares, excluding treasury shares, carry a right to receive dividends. On a winding up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law.

Management Agreement

The Company has appointed abrdr Fund Managers Limited ("aFML"), a wholly owned subsidiary of abrdr plc, as its alternative investment fund manager. aFML has been appointed to provide investment management, risk management, administration and company secretarial services and promotional activities to the Company. The Company's portfolio is managed by abrdr Asia Limited ("abrdr Asia") by way of a group delegation agreement in place between aFML and abrdr Asia. In addition, aFML has sub-delegated promotional activities to abrdr Investments Limited and administration and company secretarial services to abrdr Holdings Limited. Details of the management fee during the year and fees payable for promotional activities are shown in notes 4 and 5 to the financial statements.

The management agreement is terminable on not less than 12 months' notice. In the event of termination by the Company on less than the agreed notice period, compensation is payable to the Manager in lieu of the unexpired notice period.

Directors' Report

Continued

Substantial Interests

At 30 April 2023 the following interests in the issued Ordinary share capital of the Company had been disclosed in accordance with the requirements of the FCA's Disclosure Guidance and Transparency Rules.

Shareholder	Number of Ordinary shares held	% held ^B
City of London Investment Management Company Limited	27,354,703	26.1
Allspring Global Investments Holdings LLC	11,663,340	11.1
abrdn Investment Trust Share Plans ^A	7,944,812	7.6
Close Asset Management Limited	5,305,699	5.1
Lazard Asset Management LLC	5,182,427	4.9
1607 Capital Partners LLC	4,026,274	3.8

^A Non-beneficial interest

^B Based on 104,991,348 Ordinary shares in issue as at 30 April 2023

Since the end of the year, City of London Investment Management Company Limited has notified the Company of a holding of 28,258,791 Ordinary shares (27.0%). There have been no other changes notified to the Company as at the date of approval of this Report.

Corporate Governance

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

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

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

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

The UK Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);
- the role and responsibility of the chief executive (provisions 9 and 14);
- previous experience of the chairman of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

Full details of the Company's compliance with the AIC Code can be found on its website.

Directors

Throughout the year, the Board comprised five Directors, consisting of a non-executive Chairman and four non-executive Directors. All Directors, with the exception of Mr Young, are considered by the Board to be independent and free of any material relationship with the abrdn Group. Mr Young is a director of various entities connected with, or within, the abrdn Group and, as such, is not considered to be independent.

The Directors attended scheduled Board and Committee meetings during the year ended 30 April 2023 as shown in the table below (with their eligibility to attend the relevant meeting in brackets).

Director	Board Meetings	Audit and Risk Committee Meetings	Nomination Committee Meetings	Management Engagement Committee Meetings
D Workman ^A	6 (6)	- (-)	1 (1)	1 (1)
M Sears	6 (6)	2 (2)	1 (1)	1 (1)
S Souchon	6 (6)	2 (2)	1 (1)	1 (1)
H Young ^B	6 (6)	- (-)	1 (1)	- (-)
N Yuen	6 (6)	2 (2)	1 (1)	1 (1)

^A Mr Workman is not a member of the Audit and Risk Committee.

^B Mr Young is not a member of the Audit and Risk or Management Engagement Committees.

The Board meets more frequently when business needs require. There were four such additional Board and Board Committee meetings held during the year.

The Company's Articles of Association require that Directors must retire and be subject to election at the first Annual General Meeting after their appointment, and that one third of the Directors retire by rotation at each Annual General Meeting, and that any Director who was not elected or re-elected at one of the preceding two Annual General Meetings also retires by rotation at the Annual General Meeting. However, the Board has decided that, notwithstanding the provisions of the Articles of Association, all Directors will retire at each Annual General Meeting and, if eligible, may seek re-election.

The Board believes that all the Directors, other than Mr Young, remain independent of the Manager and free from any relationship which could materially interfere with the exercise of their judgement on issues of strategy, performance, resources and standards of conduct. The biographies of each of the Directors are shown on pages 38 to 40, setting out their range of skills and experience as well as length of service and their contribution to the Board during the year. The Board believes that each Director has the requisite high level and range of business, investment and financial experience which enables the Board to provide clear and effective leadership and proper governance of the Company. Following formal performance evaluations, each Director's performance continues to be effective and demonstrates commitment to the role, and their individual performances contribute to the long-term sustainable success of the Company.

Mr Young was appointed as a Director in May 1989 and, as stated above, is not independent due to his involvement with various entities within the abrdn Group. Mr Young has significant experience of markets in the Asia Pacific region and provides invaluable input to Board discussions.

Board's Policy on Tenure

In normal circumstances, it is the Board's expectation that Directors will not serve beyond the Annual General Meeting following the ninth anniversary of their appointment. However, the Board takes the view that independence of individual Directors is not necessarily compromised by length of tenure on the Board and that continuity and experience can add significantly to the Board's strength. The Board believes that recommendation for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned, but also taking into account the need for regular refreshment and diversity.

It is the Board's policy that the Chairman of the Board will not serve as a Director beyond the Annual General Meeting following the ninth anniversary of his/her appointment to the Board. However, this may be extended in certain circumstances or to facilitate effective succession planning and the development of a diverse Board. In such a situation the reasons for the extension will be fully explained to shareholders and a timetable for the departure of the Chairman clearly set out.

Directors' Report

Continued

The Role of the Chairman and Senior Independent Director

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

The Senior Independent Director acts as a sounding board for the Chairman and acts as an intermediary for other Directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chairman, and leads the annual appraisal of the Chairman's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

Directors' and Officers' Liability Insurance

The Company's Articles of Association indemnify each of the Directors out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings, or in connection with any application to the Court in which relief is granted. In addition, the Company has entered into separate deeds of indemnity with each of the Directors, reflecting the scope of the indemnity in the Articles. Directors' and Officers' liability insurance cover has been maintained throughout the year at the expense of the Company.

Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, each Director prepares a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his or her connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the

Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential or actual conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although all Directors are issued with letters of appointment. Other than Mr Young, and the deeds of indemnity referred to on page 44, there were no contracts during, or at the end of the year, in which any Director was interested.

The Company has a policy of conducting its business in an honest and ethical manner. The Company takes a zero-tolerance approach to bribery and corruption and has procedures in place that are proportionate to the Company's circumstances to prevent them. The Manager also adopts a group-wide zero-tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. Copies of the Manager's anti-bribery and corruption policies are available on its website.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

Board Diversity

The Board recognises the importance of having a range of skilled and experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, socio-economic background, religion, ethnic or national origins or disability in considering the appointment of its Directors. In view of its size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. In doing so, the Board will take account of the targets set out in the FCA's Listing Rules, which are set out in the tables below.

The Board has resolved that the Company's year end date is the most appropriate date for disclosure purposes. The following information has been provided by each Director through the completion of questionnaires. There have been no changes since the year end.

Board Gender as at 30 April 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, Chairman and SID)	Number in executive management	Percentage of executive management
Men	3	60%	n/a (note 3)	n/a	n/a
Women	2	40% (note 1)			
Not specified/prefer not to say	-	-			

Board Ethnic Background as at 30 April 2023

	Number of Board members	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, Chairman and SID)	Number in executive management	Percentage of executive management
White British or other White (including minority-white groups)	4	80%	n/a (note 3)	n/a	n/a
Asian	1 (note 2)	20%			
Other ethnic group	-	-			
Not specified/prefer not to say	-	-			

Notes:

1. Meets target of at least 40% as set out in LR 9.8.6R (9)(a)(i)
2. Meets target of at least 1 as set out in LR 9.8.6R (9)(a)(iii)
3. This column is inapplicable as the Company is externally managed and does not have executive management functions, specifically it does not have a CEO or CFO. The Company considers that the role of Chairman, Senior Independent Director ("SID"), and the chairmen of the Audit and Risk Committee, Nomination Committee and Management Engagement Committee are senior positions. Of these five senior roles, four are performed by men and one by a women, and all five are held by Directors classified as 'White British or other White (including minority-white groups)'.

Directors' Report

Continued

Board Committees

The Board has appointed a number of Committees, as set out below. Copies of their terms of reference, which clearly define the responsibilities and duties of each Committee, are available on the Company's website, or upon request from the Company Secretary. The terms of reference of each of the Committees are reviewed and re-assessed by the Board for their adequacy on an ongoing basis.

Audit and Risk Committee

The Audit and Risk Committee's Report is contained on pages 53 to 55.

Management Engagement Committee

The Management Engagement Committee comprises four independent Directors: Mr Workman (Chairman), Ms Sears, Mr Souchon and Ms Yuen. The Committee reviews the performance of the Manager and the terms of the management agreement, including the management fee, at least once a year. The Committee also keeps the resources of the abrdn Group under review, together with its commitment to the Company and its investment trust business. In addition, the Committee conducts an annual review of the performance, terms and conditions of the Company's main third party suppliers.

The Board remains satisfied that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole. The key factors taken into account in reaching this decision are the long-term performance of the portfolio and the investment skills and experience of the Manager, together with the quality of other services provided, including marketing and investor relations, company secretarial and administration, and the commitment of the Manager to its investment trust business.

Nomination Committee

The Nomination Committee comprises the entire Board and is chaired by Mr Workman. The Committee conducts Board evaluations, reviews the structure of the Board and gives consideration to succession planning.

During the year, the Committee undertook an annual appraisal of the Chairman of the Board, individual Directors and the performance of Committees and the Board as a whole. This process involved the completion of questionnaires by each Director and follow-on discussions between the Chairman and each Director. The appraisal of the Chairman was undertaken by the Senior Independent Director. The results of the process were discussed by the Board following its completion, with appropriate action points made.

The Committee considers succession planning on at least an annual basis. Potential new Directors are identified against the requirements of the Company's business and the need to have a balance of skills, experience, independence, diversity and knowledge of the Company within the Board.

Going Concern

As set out in more detail in the Chairman's Statement on page 6, it is proposed that the Company combines with Asia Dragon Trust plc ("Asia Dragon"). The combination, if approved by each company's shareholders, will be effected by way of a scheme of reconstruction and winding up of the Company under section 110 of the Insolvency Act 1986 and the associated transfer of part of the assets and undertaking of the Company to Asia Dragon in exchange for the issue of new ordinary shares in Asia Dragon (the "Scheme"). The outcome of the general meetings to make the Scheme effective represents a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Notwithstanding this material uncertainty, the Board has concluded that it remains appropriate to continue to prepare the financial statements on a going concern basis. In reaching this conclusion, the Board has come to the view that, as the Scheme is contingent on shareholder approval and the Company is considered solvent in all other regards, there is no irrevocable path to liquidation and thus going concern remains the most appropriate basis for preparation. In reaching this conclusion, the Board has also given due consideration to the risks associated with the Scheme.

The Board has also given consideration to the liquidity of the investment portfolio. 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 Board regularly reviews income and expenditure projections and has set limits for borrowing and reviews compliance with banking covenants, including the headroom available.

At the year end, the Company's borrowing facilities amounted to £40 million, comprising a fixed rate loan of £20 million, which matures in December 2023, and a £20 million multi-currency revolving loan facility maturing in June 2024. In the event of the Company being unable to renew the facilities on their maturity, it is anticipated that they would be repaid from proceeds of investment sales.

In considering the going concern basis of accounting, the Directors have also taken into account the potential requirement of the Board to propose a resolution to approve the continuation of the Company at future Annual General Meetings. As explained on pages 11 to 12, this is dependent upon the level of discount in the 90 days preceding the Company's financial year end and there is no requirement for such a resolution to be proposed at the Annual General Meeting.

Accountability and Audit

The respective responsibilities of the Directors and the Auditor in connection with the financial statements appear on pages 58 and 59 to 65.

Each Director confirms that, so far as he or she is aware, there is no relevant audit information of which the Company's Auditor is unaware, and they have taken all the steps that they could reasonably be expected to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Financial Instruments

The financial risk management objectives and policies arising from financial instruments and the exposure of the Company to risk are disclosed in note 17 to the financial statements.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. Shareholders and investors may obtain up to date information on the Company through its website and the Manager's Customer Services Department (see Contact Addresses).

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (including the Company Secretary or the Manager) in situations where direct communication is required, and representatives from the Board and Manager meet with major shareholders on at least an annual basis in order to gauge their views. In addition, the Company Secretary only acts on behalf of the Board, not the Manager, and there is no filtering of communication.

At each Board meeting the Board receives full details of any communication from shareholders to which the Chairman responds personally as appropriate.

The Company has adopted a nominee code which ensures that, when shares in the Company are held in the name of nominee companies and notification has been received in advance, nominee companies will be provided with copies of shareholder communications for distribution to their investors. Nominee investors may attend and speak at general meetings.

Participants in the abrdn Investment Plan for Children, Investment Trust Share Plan and Investment Trust ISA, whose shares are held in the nominee name of the plan administrator, are given the opportunity to vote at general meetings of the Company by means of a Letter of Direction provided to them. When forwarded to the plan administrator, the voting instructions given in the Letter of Direction will in turn be reflected in the proxy votes lodged by the plan administrator.

Share Buy Backs

The Company bought back 1,706,000 Ordinary shares during the year ended 30 April 2023, representing 1.6% of the issued share capital, with the aim of providing a degree of liquidity to the market at times when the discount to the net asset value per share has widened in normal market conditions. It is the view of the Board that the Company's share buy back policy is in the interests of all shareholders. The Board closely monitors the discount and reviews the operation of the share buy back policy at each Board meeting as well as considering other options for managing the discount.

Directors' Report

Continued

Treasury Shares

As part of its liquidity management policy, the Company currently has powers to buy back its own shares at a discount to the net asset value per share and to hold them in treasury (instead of cancelling them) as well as to sell treasury shares at a premium to the net asset value per share.

It is the Company's policy that, in the event that the number of treasury shares represents more than 10% of the Company's issued share capital (excluding treasury shares) at the end of any financial year, the Company will cancel a proportion of its treasury shares such that the remaining balance will equal 7.5% of the issued share capital (excluding treasury shares). Accordingly, 4,233,350 treasury shares were cancelled on 30 April 2023. Shares remaining in treasury may be held indefinitely. No dividends will be paid on treasury shares, and no voting rights attach to them. No treasury shares were cancelled during the year.

By order of the Board
abrdn Holdings Limited

Company Secretary
16 August 2023

Directors' Remuneration Report

This Directors' Remuneration Report comprises three parts:

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

Company law requires the Company's Auditor to audit certain of the disclosures provided in the Directors' Remuneration Report. Where disclosures have been audited, they are indicated as such. The Auditor's opinion is included on pages 59 to 65.

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

The Directors' Remuneration Policy takes into consideration the principles of UK Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies.

No shareholder views have been sought in setting the remuneration policy although any comments received from shareholders are considered.

Remuneration Policy

The Board's policy is that the remuneration of non-executive Directors should be sufficient to attract Directors of the quality required to run the Company successfully. The remuneration should also reflect the nature of the Directors' duties, responsibilities, the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, and have similar capital structures and investment objectives. Directors' fees are set within the limits of the Company's Articles of Association which limit the aggregate fees payable to the Board of Directors per annum. The current limit is £200,000 per annum and may only be increased by shareholder resolution.

Appointment Terms

- All the Directors are non-executive and are appointed under the terms of letters of appointment.
- The Company's Articles of Association require that Directors must retire and be subject to election at the first Annual General Meeting after their appointment, and be subject to re-election at least every three years thereafter. However, the Board has decided that, notwithstanding the provisions of the Articles of Association, all Directors will retire at each Annual General Meeting and, if eligible, may seek re-election.
- Any Director newly appointed to the Board will receive the fee applicable to each of the other Directors at the time of appointment together with any other fee then currently payable in respect of a specific role which the new Director is to undertake for the Company.
- No incentive or introductory fees will be paid to encourage a person to become a Director.
- Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.
- Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.
- The Company indemnifies its Directors under deeds of indemnity for costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

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

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

There were no changes to the Directors' Remuneration Policy during the year nor are there any proposals for changes in the foreseeable future.

Directors' Remuneration Report

Continued

Approval of Remuneration Policy and Statement of Voting at Annual General Meeting

The Directors' Remuneration Policy was last approved by shareholders at the Annual General Meeting held on 2 September 2020. 99.6% of proxy votes were in favour of the resolution, 0.2% were against and 0.2% abstained.

The Directors' Remuneration Policy is reviewed by the Board on an annual basis.

Implementation Report

Review of Directors' Fees

The levels of fees at the year end are set out in the table below. Fees are reviewed annually and, if considered appropriate, increased accordingly.

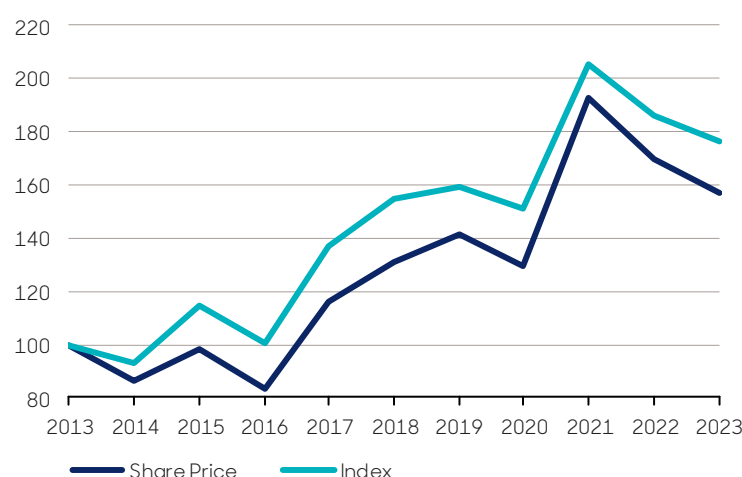
	30 April 2023 £	30 April 2022 £
Chairman	39,100	37,600
Chairman of Audit and Risk Committee	32,600	31,400
Director	28,400	27,300

The Board carried out a review of the level of Directors' fees during the year, which included consideration of fees paid by comparable investment trusts and the sector as a whole. Following this review, the Board decided that annual fees would increase to £39,100 for the Chairman, £32,600 for the Chairman of the Audit and Risk Committee and £28,400 for other Directors, such increases taking effect on 1 October 2022.

There are no further fees to disclose as the Company has no employees, chief executive or executive directors.

Company Performance

The graph below shows the total shareholder return for a holding in the Company's shares as compared to the MSCI All Countries Asia Pacific ex Japan Index (Sterling adjusted) for the ten year period ended 30 April 2023 (rebased to 100 at 30 April 2013). This Index was chosen for comparison purposes as it is the benchmark used for investment performance measurement purposes.



Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders. Dividends paid to shareholders are shown in note 8 to the financial statements and the total fees paid to Directors are shown below.

Audited Information – Fees Payable

The Directors who served during the year received the following fees, which exclude employers' National Insurance contributions:

Director	2023 £	2022 £
D Workman	38,475	37,142
M Sears	27,942	26,967
S Souchon	32,100	31,025
H Young	-	-
N Yuen	27,942	26,967
Total	126,459	122,101

All fees are at a fixed rate and there is no variable remuneration. Fees are pro-rated where a change takes place during a financial year. With effect from 1 April 2018 Mr Young agreed to waive his entitlement to receive fees from the Company, which would have amounted to £27,942 for the year ended 30 April 2023 (2022: £26,967).

In addition to his services as a Director of the Company, Mr Young devotes a proportion of his time employed by the abrdn Group to the provision of investment management services to the Company. For the year ended 30 April 2023, the estimated proportion of Mr Young's total remuneration attributable to such investment management services did not exceed £27,942 (2022: £26,967).

Annual Percentage Change in Directors' Remuneration

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

Director	Year ended 30 April 2023 %	Year ended 30 April 2022 %	Year ended 30 April 2021 %
D Workman ^A	3.6	1.8	11.4
M Sears	3.6	1.8	0.8
S Souchon ^B	3.5	6.4	n/a
H Young	-	-	-
N Yuen ^C	3.6	n/a	n/a

^A Appointed Chairman on 4 September 2019.

^B Appointed as a Director on 1 October 2019 and Chairman of the Audit and Risk Committee on 2 September 2020.

^C Appointed as a Director on 1 January 2021.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors (including their connected persons) at 30 April 2023 and 30 April 2022 had no interests in the share capital of the Company other than those interests, all of which are beneficial, shown in the table below.

Director	30 April 2023 Ordinary Shares	30 April 2022 Ordinary Shares
D Workman	25,000	25,000
M Sears	35,000	35,000
S Souchon	25,000	25,000
H Young	81,320	81,320
N Yuen	-	-

There have been no changes to the Directors' interests since the end of the year.

Directors' Remuneration Report

Continued

Statement of Voting at Annual General Meeting

At the Company's last Annual General Meeting, held on 6 September 2022, shareholders approved the Directors' Remuneration Report (other than the Directors' Remuneration Policy) in respect of the year ended 30 April 2022. 99.8% of proxy votes were in favour of the resolution, 0.1% were against and 0.1% abstained.

Annual Statement

In accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, the Board confirms that the above Directors' Remuneration Report summarises, as applicable, for the year ended 30 April 2023:

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

On behalf of the Board

Donald Workman

Chairman

16 August 2023

Audit and Risk Committee's Report

The Audit and Risk Committee presents its Report for the year ended 30 April 2023.

Committee Composition

An Audit and Risk Committee has been established, comprising three independent Directors, Mr Souchon, Ms Sears and Ms Yuen. The Committee is chaired by Mr Souchon. The Board is satisfied that Mr Souchon has recent and relevant financial experience and that the Committee as a whole has competence relevant to the investment trust sector.

Functions of the Audit and Risk Committee

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

The Committee's main functions are listed below:

- to review and monitor the internal control systems and risk management systems (including review of non-financial risks) on which the Company is reliant;
- to consider whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the half-yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's half-yearly and annual financial statements, announcements and related formal statements;
- to review the content of the Annual Report and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy;
- to meet with the Auditor to review the proposed audit programme of work and the findings of the Auditor. The Committee shall also use this as an opportunity to assess the effectiveness of the audit process;

- to develop and implement policy on the engagement of the Auditor to supply non-audit services. Fees paid to the Auditor for non-audit services during the year were £nil. (2022: £nil). All non-audit services must be approved in advance by the Audit and Risk Committee which will review any future fees in the light of statutory requirements and the need to maintain the Auditor's independence;
- to review a statement from the abrdn Group detailing the arrangements in place within the group whereby its staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters ("whistleblowing");
- to make recommendations in relation to the re-appointment of the Auditor or appointment of a new Auditor and to approve the remuneration and terms of engagement of the Auditor; and
- to monitor and review the Auditor's independence, objectivity, effectiveness, resources and qualification.

Activities During the Year

The Audit and Risk Committee met twice during the year at which, amongst other things, it considered the Annual Report and the Half-Yearly Financial Report in detail and met with the Auditor. Representatives of the abrdn Group's internal audit, risk and compliance departments reported to the Committee at these meetings on matters such as internal control systems, risk and the conduct of the business in the context of its regulatory environment.

Internal Control

The Board confirms that there is an ongoing process for identifying, evaluating and managing the Company's significant business and operational risks, that it has been in place for the year ended 30 April 2023 and up to the date of approval of the Annual Report, and is regularly reviewed by the Board and accords with the FRC's guidance on internal controls.

The Board has overall responsibility for ensuring that there is a system of internal controls in place and a process for reviewing its effectiveness. Any system of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and by its nature can only provide reasonable and not absolute assurance against mis-statement or loss.

Audit and Risk Committee's Report

Continued

The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management. The Board, through the Audit and Risk Committee, has prepared its own risk register which identifies potential risks relating to investment strategy and objectives; investment management; income/dividends; financial; gearing; regulatory; operational; and exogenous risks. These risks and their mitigation actions are set out in the Strategic Report on pages 22 to 23. The Board considers the potential cause and possible impact of these risks as well as reviewing the controls in place to mitigate them. A risk is rated by having a likelihood and an impact rating and the residual risk is plotted on a "heat map" and is reviewed regularly.

Clear lines of accountability have been established between the Board and the Manager. The Board receives regular reports covering key performance and risk indicators and considers control and compliance issues brought to its attention. In carrying out its review, the Board has had regard to the activities of the abrdn Group, its internal audit and compliance functions and the Auditor.

The Board has reviewed the effectiveness of the abrdn Group's system of internal control including its annual internal controls report prepared in accordance with the International Auditing and Assurance Standards Board's International Standard on Assurance Engagements ("ISAE") 3402, 'Assurance Reports on Controls at a Service Organization'. The Board has also reviewed the abrdn Group's process for identifying and evaluating the significant risks faced by the Company and the policies and procedures by which these risks are managed.

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

The key components designed to provide effective internal control are outlined below:

- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board;
- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance; the emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;
- as a matter of course the abrdn Group's internal audit and compliance departments continually review its operations; and
- bi-annually, the Audit and Risk Committee carries out an assessment of internal controls by considering documentation from the abrdn Group, including the internal audit and compliance functions and reports to the Board on its conclusions.

The Board has considered the need for an internal audit function. However, the Company has no employees and the day-to-day management of the Company's assets has been delegated to the abrdn Group which has its own compliance and internal control systems. The Board has therefore decided to place reliance on those systems and internal audit procedures and has concluded that it is not necessary for the Company to have its own internal audit function.

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 30 April 2023, the Audit and Risk Committee considered the following significant issues, in particular those communicated by the Auditor during its planning and reporting of the year end audit:

Valuation and Ownership of Investments

How the issue was addressed – The Company's investments have been valued in accordance with the accounting policy as disclosed in note 2 (b) to the financial statements. All investments are in quoted securities in active markets or in collective investment schemes, are considered to be liquid and have been categorised as Level 1 and Level 2 within the FRS 102 fair value hierarchy. The portfolio holdings and their pricing is reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are prepared for each Board meeting. During the year the Company used the services of an independent Depositary (BNP Paribas Trust Corporation UK Limited) to hold the assets of the Company (novated from BNP Paribas Securities Services, London Branch on 30 June 2022). The Depositary checks the consistency of its records with those of the Manager on a monthly basis and reports to the Board on an annual basis.

Recognition of Investment Income

How the issue was addressed – The recognition of investment income is undertaken in accordance with the accounting policy as disclosed in note 2 (c) to the financial statements. In addition, the Directors review the Company's income, revenue forecasts and dividend comparisons at each Board meeting. The Directors also review the accounting treatment of special dividends received by the Company which could be categorised as capital or revenue.

Maintenance of Investment Trust Status

How the issue was addressed – Approval of the Company as an investment trust under Sections 1158 and 1159 of the Corporation Tax Act 2010 for financial years commencing on 1 May 2012 has been obtained and ongoing compliance with the eligibility criteria is monitored on a regular basis by the Manager and reported at each Board meeting.

Going Concern Basis of Accounting

How the issue was addressed – given the material uncertainty in relation to going concern surrounding the proposed merger of the Company with Asia Dragon plc, as set out in more detail in the Charman's Statement on page 6), the Audit and Risk Committee gave particular consideration to the appropriateness of the going concern basis of preparation of the financial statements. The Board's statement on going concern is included on pages 46 to 47.

Tenure of Auditor

Johnston Carmichael LLP was appointed as the Company's Auditor by shareholders at the Annual General Meeting on 1 September 2021. The year ended 30 April 2023 is the second year that Johnston Carmichael LLP has acted as Auditor.

In accordance with present professional guidelines the audit partner is rotated after no more than five years. The year ended 30 April 2023 is the first year for which the present partner has served.

Review of Auditor

The Audit and Risk Committee has reviewed the effectiveness of the Auditor including:

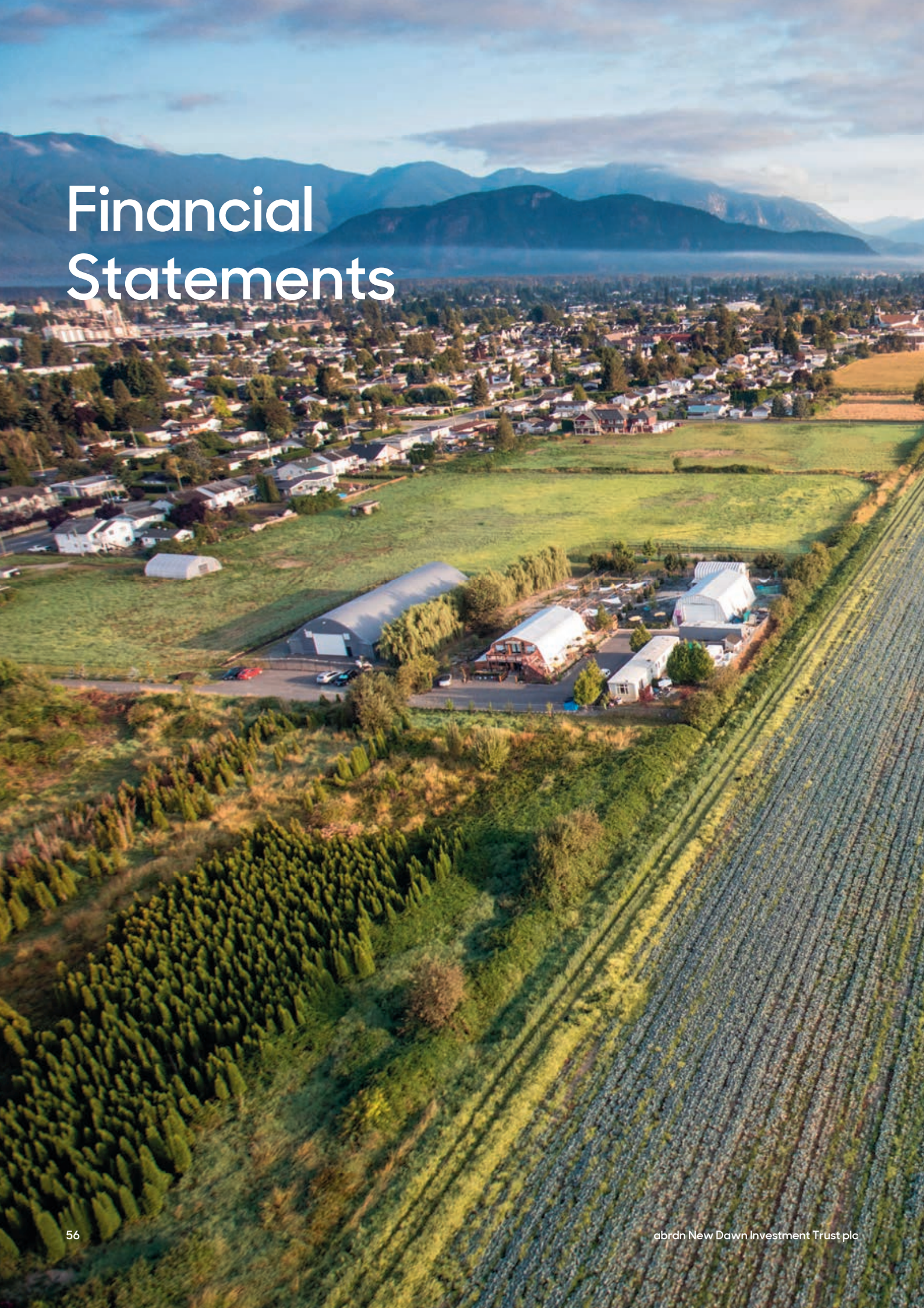
- Independence – the Auditor discusses with the Audit and Risk Committee, at least annually, the steps it takes to ensure its independence and objectivity and makes the Committee aware of any potential issues, explaining all relevant safeguards.
- Quality of audit work – including the ability to resolve issues in a timely manner (identified issues are satisfactorily and promptly resolved), its communications/presentation of outputs (the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible), and its working relationship with management (the Auditor has a constructive working relationship with the Manager).
- Quality of people and service – including continuity and succession plans (the audit team is made up of sufficient, suitably experienced staff with provision made for knowledge of the investment trust sector and retention on rotation of the audit partner).
- Fees – including current and proposed fees for future years.

The Audit and Risk Committee is satisfied that Johnston Carmichael LLP is independent of the Company.

Stephen Souchon

Chairman of the Audit and Risk Committee
16 August 2023

Financial Statements

An aerial photograph of a rural landscape. In the background, a range of mountains is visible under a blue sky with some clouds. In the middle ground, a town with many houses and buildings is spread across a valley. In the foreground, there are large green fields, some of which appear to be planted with crops like corn. A road runs through the fields, and there are some trees and bushes in the lower left corner.



Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors are required to prepare the financial statements in accordance with UK accounting standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland'.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern disclosing, as applicable, matters related to going concern; and
- use 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.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

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

The Board confirms that to the best of its knowledge:

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

On behalf of the Board

Donald Workman

Chairman

16 August 2023

Independent Auditor's Report to the Members of abrdn New Dawn Investment Trust plc

Opinion

We have audited the financial statements of abrdn New Dawn Investment Trust plc ("the Company"), for the year ended 30 April 2023, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- Give a true and fair view of the state of the Company's affairs as at 30 April 2023 and of its return for the year then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to note 2 (a) within the financial statements, which indicates that there is a proposal for the Company to combine with Asia Dragon Trust plc ("Asia Dragon"). The combination, if approved by each company's shareholders, will be effected by way of a scheme of reconstruction and winding up of the Company under section 110 of the Insolvency Act 1986 and the associated transfer of part of the assets and undertaking of the Company to Asia Dragon in exchange for the issue of new ordinary shares in Asia Dragon ("the Scheme").

As stated in note 2 (a), these events indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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

- Evaluating management's method of assessing going concern, including consideration of the continuation vote and the Scheme, loan covenants, and market conditions and uncertainties;
- Assessing and challenging the forecast cashflows and associated sensitivity modelling used by the Directors in support of their going concern assessment;
- Obtaining and recalculating management's assessment of the Company's ongoing maintenance of investment trust status;
- Evaluating management's assessment of the business continuity plans of the Company's main service providers; and
- Assessing the adequacy of the Company's going concern disclosures included in the Annual Report.

Independent Auditor's Report to the Members of abrdn New Dawn Investment Trust plc

Continued

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

Our Approach to the Audit

We planned our audit by first obtaining an understanding of the Company and its environment, including its key activities delegated by the Board to relevant approved third-party service providers and the controls over provision of those services.

We conducted our audit using information maintained and provided by abrdn Fund Managers Limited (the "AIFM"), abrdn Holdings Limited (the "Company Secretary"), BNP Paribas Securities Services (the "Administrator"), BNP Paribas Trust Corporation UK Limited (the "Depositary") and BNP Paribas Securities Services, London Branch (the "Custodian"), to whom the Company has delegated the provision of services.

We tailored the scope of our audit to reflect our risk assessment, taking into account such factors as the types of investments within the Company, the involvement of the Administrator, the accounting processes and controls, and the industry in which the Company operates.

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

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we summarise below the key audit matters in arriving at our audit opinion above, together with how our audit addressed these matters and the results of our audit work in relation to these matters.

Key audit matter	How our audit addressed the key audit matter and our conclusions
Valuation and ownership of investments (as described on page 55 in the Report of the Audit and Risk Committee and as per the accounting policy on page 71 and note 10). At 30 April 2023, the valuation of the investment portfolio was £340.6 million (2022 £373.7 million) accounting for 108.4% of net assets (2022: 107.7%). As this is the largest component of the Company's Statement of Financial Position, and a key driver of the Company's net assets and total return, this has been designated as a key audit matter, being one of the most significant assessed risks of material misstatement due to fraud or error. There is a further risk that the investments held at fair value may not be actively traded and the quoted prices may not be reflective of their fair value (valuation). Additionally, there is a risk that the Company does not have proper legal title to the investments recorded as held at year end (ownership).	We obtained and assessed controls reports provided by BNP Paribas Securities Services (Administrator) and BNP Paribas Trust Corporation UK Limited (Custodian) to evaluate the design of the process and implementation of key controls. We compared the market prices and exchange rates applied to all investments held at 30 April 2023 to an independent third-party source and recalculated the investment valuations. We obtained the average trading volumes from an independent third-party source for all investments held at the year end and noted no significant illiquid holdings. We agreed the ownership of all investments held at the year end to the independently received custodian report. From our completion of these procedures, we identified no material misstatements in relation to the valuation and ownership of the investments.
Revenue recognition including the allocation of special dividends as revenue or capital returns (as described on page 55 in the Report of the Audit and Risk Committee and as per the accounting policy on page 71 and note 3). Investment income recognised in the year to 30 April 2023 was £7.6 million (2022: £6.7 million), consisting of dividend income from investments. Revenue-based performance metrics are often one of the key performance indicators for stakeholders. The investment income received by the Company during the year directly impacts these metrics and the minimum dividend required to be paid by the Company. There is a risk that revenue is incomplete or inaccurate through failure to recognise income entitlements or failure to appropriately account for their treatment. It has therefore been designated as a key audit matter being one of the most significant assessed risks of material misstatement due to fraud or error. Additionally, there is a risk of incorrect allocation of special dividends as revenue or capital returns as judgement is required in determining their allocation within the Statement of Comprehensive Income.	We obtained and assessed controls reports provided by BNP Paribas Securities Services (Administrator) and BNP Paribas Trust Corporation UK Limited (Custodian) to evaluate the design of the process and implementation of key controls. We confirmed that income was recognised and disclosed in accordance with the AIC SORP by assessing the accounting policies. We recalculated 100% of dividends due to the Company based on investment holdings throughout the year and announcements made by investee companies. We agreed a sample of dividends received to bank statements. We assessed the completeness of the special dividend population with reference to third party market data and determined whether special dividends recognised were revenue or capital in nature with reference to the underlying commercial circumstances of the dividend payments. From our completion of these procedures, we identified no material misstatements in relation to revenue recognition, including allocation of special dividends as revenue or capital returns.

Independent Auditor's Report to the Members of abrdn New Dawn Investment Trust plc

Continued

Our Application of Materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature and extent of our work and in evaluating the results of that work.

Materiality measure	Value
Materiality for the financial statements as a whole – we have set materiality as 1% of net assets as we believe that net assets is the primary performance measure used by investors and is the key driver of shareholder value. It is also the standard industry benchmark for materiality for investment trusts and we determined the measurement percentage to be commensurate with the risk and complexity of the audit and the Company's listed status.	£3,141,000 (2022: £3,469,000)
Performance materiality – performance materiality represents amounts set by the auditor at less than materiality for the financial statements as a whole, to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole. In setting this we consider the Company's overall control environment, and any experience of the audit that indicates a lower risk of material misstatements. Based on our judgement of these factors, we have set performance materiality at 75% (2022: 50% due to it being the first year audit) of our overall financial statement materiality.	£2,356,000 (2022: £1,734,000)
Specific materiality – recognising that there are transactions and balances of a lesser amount which could influence the understanding of users of the financial statements we calculate a lower level of materiality for testing such areas. Specifically, given the importance of the distinction between revenue and capital for the Company, we also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income set at the higher of 5% of the net revenue return before taxation and our Audit and Risk Committee Reporting Threshold. We have also set a separate specific materiality in respect of related party transactions and Directors' remuneration. We used our judgement in setting these thresholds and considered our experience and industry benchmarks for specific materiality.	£272,000 (2022: £218,000)
Audit and Risk Committee reporting threshold – we agreed with the Audit and Risk Committee that we would report to them all differences in excess of 5% of overall materiality in addition to other identified misstatements that warranted reporting on qualitative grounds, in our view. For example, an immaterial misstatement as a result of fraud.	£157,000 (2022: £173,000)

During the course of the audit, we reassessed initial materiality and found no reason to alter the basis of calculation used at the year end.

Other Information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on Which we are Required to Report by Exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Corporate Governance Statement

We have reviewed the Directors' Statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the entity's compliance with the provisions of the UK Corporate Governance Code specified for our review by the Listing Rules.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- The Directors' statement with regards to the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on pages 46 and 47;
- The Directors' explanation as to its assessment of the Company's prospects, the period this assessment covers and why the period is appropriate set out on page 12;
- The Directors' statement on fair, balanced and understandable set out on page 58;

Independent Auditor's Report to the Members of abrdn New Dawn Investment Trust plc

Continued

- The Directors' statement on whether it has a reasonable expectation that the Company will be able to continue in operation and meets its liabilities set out on pages 46 to 47;
- The Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on pages 22 and 23;
- The section of the annual report that describes the review of the effectiveness of risk management and internal control systems set out on pages 53 and 54; and
- The section describing the work of the Audit and Risk Committee set out on pages 53 to 55.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 58, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor Responsibilities for the Audit of the Financial Statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Extent the Audit was Considered Capable of Detecting Irregularities, Including Fraud

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

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and the sector in which it operates, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- FCA listing and DTR rules;
- The principles of the UK Corporate Governance Code applied by the AIC Code of Corporate Governance (the "AIC Code");
- Industry practice represented by the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture Capital Trusts ("the SORP") issued in July 2022;
- Financial Reporting Standard 102; and
- The Company's qualification as an investment trust under section 1158 of the Corporation Tax Act 2010.

We gained an understanding of how the Company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. We identified a heightened fraud risk in relation to the completeness and allocation of special dividends (audit procedures performed in response to these risks are set out in the section on key audit matters above) and management override (procedures in response to this risk are included below).

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the Company's compliance with the Companies Act 2006 and the Listing Rules; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Other Matters Which we are Required to Address

Following the recommendation of the Audit and Risk Committee, we were appointed by the Board on 1 September 2021 to audit the financial statements for the year ended 30 April 2022 and subsequent financial periods. The period of our total uninterrupted engagement is two years, covering the years ended 30 April 2022 and 30 April 2023.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Company and we remain independent of the Company in conducting our audit.

Our audit opinion is consistent with the additional report to the Audit and Risk Committee.

Use of our Report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Sutherland (Senior Statutory Auditor)

For and on behalf of Johnston Carmichael LLP
Statutory Auditor
Edinburgh, United Kingdom
16 August 2023

Statement of Comprehensive Income

		Year ended 30 April 2023			Year ended 30 April 2022		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
	Notes						
Losses on investments	10	-	(27,046)	(27,046)	-	(46,172)	(46,172)
Income	3	7,612	-	7,612	6,670	-	6,670
Management fee	4	(945)	(945)	(1,890)	(1,170)	(1,170)	(2,340)
Administrative expenses	5	(747)	-	(747)	(723)	-	(723)
Exchange losses		-	(139)	(139)	-	(640)	(640)
Net return before finance costs and taxation		5,920	(28,130)	(22,210)	4,777	(47,982)	(43,205)
Finance costs	6	(473)	(473)	(946)	(406)	(406)	(812)
Return before taxation		5,447	(28,603)	(23,156)	4,371	(48,388)	(44,017)
Taxation	7	(342)	-	(342)	(366)	-	(366)
Return after taxation		5,105	(28,603)	(23,498)	4,005	(48,388)	(44,383)
Return per Ordinary share (pence)	9	4.82	(27.00)	(22.18)	3.71	(44.81)	(41.10)

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

The Company does not have any income or expense that is not included in "Return after taxation" and therefore this represents the "Total comprehensive income for the year".

All revenue and capital items are derived from continuing operations.

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

Statement of Financial Position

	Notes	As at 30 April 2023 £'000	As at 30 April 2022 £'000
Fixed assets			
Investments at fair value through profit or loss	10	340,599	373,697
Current assets			
Debtors	11	729	1,907
Cash and short-term deposits		2,166	7,824
		2,895	9,731
Creditors: amounts falling due within one year	12		
Loans		(28,632)	(13,504)
Other creditors		(729)	(2,994)
		(29,361)	(16,498)
Net current liabilities		(26,466)	(6,767)
Total assets less current liabilities		314,133	366,930
Non-current creditors	12		
Loans		-	(19,978)
Net assets		314,133	346,952
Share capital and reserves			
Share capital	13	5,643	5,855
Share premium account		17,955	17,955
Capital redemption reserve		10,911	10,699
Capital reserve	14	266,379	299,738
Revenue reserve		13,245	12,705
Equity shareholders' funds		314,133	346,952
Net asset value per Ordinary share (pence)	15	299.20	325.17

The financial statements were approved by the Board of Directors and authorised for issue on 16 August 2023 and were signed on its behalf by:

Donald Workman
Chairman

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

Statement of Changes in Equity

For the year ended 30 April 2023

	Notes	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2022		5,855	17,955	10,699	299,738	12,705	346,952
Buy back of Ordinary shares for treasury		-	-	-	(4,756)	-	(4,756)
Cancellation of Ordinary shares held in treasury		(212)	-	212	-	-	-
Return after taxation		-	-	-	(28,603)	5,105	(23,498)
Dividends paid	8	-	-	-	-	(4,565)	(4,565)
Balance at 30 April 2023		5,643	17,955	10,911	266,379	13,245	314,133

For the year ended 30 April 2022

		Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2021		5,855	17,955	10,699	355,134	13,362	403,005
Buy back of Ordinary shares for treasury		-	-	-	(7,008)	-	(7,008)
Return after taxation		-	-	-	(48,388)	4,005	(44,383)
Dividends paid	8	-	-	-	-	(4,662)	(4,662)
Balance at 30 April 2022		5,855	17,955	10,699	299,738	12,705	346,952

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

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

Statement of Cash Flows

	Notes	Year ended 30 April 2023 £'000	Year ended 30 April 2022 £'000
Operating activities			
Net return before finance costs and taxation		(22,210)	(43,205)
Adjustment for:			
Losses on investments		27,046	46,172
Currency losses		139	640
Dividend income		(7,540)	(6,667)
Dividend income received		7,502	7,112
Interest income		(72)	(3)
Interest income received		64	2
Increase in other debtors		(5)	(9)
Decrease in other creditors		(12)	(30)
Stock dividends included in investment income		-	(152)
Overseas withholding tax		(253)	(484)
Net cash flow from operating activities		4,659	3,376
Investing activities			
Purchases of investments		(71,965)	(81,473)
Sales of investments		76,921	95,767
Net cash from investing activities		4,956	14,294
Financing activities			
Equity dividends paid	8	(4,565)	(4,662)
Interest paid		(915)	(799)
Buy back of Ordinary shares for treasury		(4,790)	(6,882)
Loan repayment		(4,814)	-
Net cash used in financing activities		(15,084)	(12,343)
(Decrease)/increase in cash		(5,469)	5,327
Analysis of changes in cash during the year			
Opening balance		7,824	2,364
Effect of exchange rate fluctuations on cash held		(189)	133
(Decrease)/increase in cash as above		(5,469)	5,327
Closing balance		2,166	7,824

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

Notes to the Financial Statements

For the year ended 30 April 2023

1. Principal activity

The Company is a closed-end investment company, registered in England & Wales No 02377879, with its Ordinary shares being listed on the London Stock Exchange.

2. Accounting policies

(a) **Basis of accounting.** The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the "SORP") issued in July 2022. The financial statements are prepared in Sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on the assumption that approval as an investment trust will continue to be granted by HMRC.

Going concern with a Material Uncertainty. As set out in more detail in the Charman's Statement on page 6, it is proposed that the Company combines with Asia Dragon Trust plc ("Asia Dragon"). The combination, if approved by each company's shareholders, will be effected by way of a scheme of reconstruction and winding up of the Company under section 110 of the Insolvency Act 1986 and the associated transfer of part of the assets and undertaking of the Company to Asia Dragon in exchange for the issue of new ordinary shares in Asia Dragon (the "Scheme"). The outcome of the general meetings to make the Scheme effective represents a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

Notwithstanding this material uncertainty, the Board has concluded that it remains appropriate to continue to prepare the financial statements on a going concern basis. In reaching this conclusion, the Board has come to the view that, as the Scheme is contingent on shareholder approval and the Company is considered solvent in all other regards, there is no irrevocable path to liquidation and thus going concern remains the most appropriate basis for preparation. In reaching this conclusion, the Board has also given due consideration to the risks associated with the Scheme.

The Board has also given consideration to the liquidity of the investment portfolio. 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 Board regularly reviews income and expenditure projections and has set limits for borrowing and reviews compliance with banking covenants, including the headroom available.

At the year end, the Company's borrowing facilities amounted to £40 million, comprising a fixed rate loan of £20 million, which matures in December 2023, and a £20 million multi-currency revolving loan facility maturing in June 2024. In the event of the Company being unable to renew the facilities on their maturity, it is anticipated that they would be repaid from proceeds of investment sales.

In considering the going concern basis of accounting, the Directors have also taken into account the potential requirement of the Board to propose a resolution to approve the continuation of the Company at future Annual General Meetings. As explained on pages 11 to 12, this is dependent upon the level of discount in the 90 days preceding the Company's financial year end and there is no requirement for such a resolution to be proposed at the Annual General Meeting.

The Company's investments and borrowings are made in a number of currencies, however the Board considers the Company's functional currency to be Sterling. In arriving at this conclusion, the Board considered that the shares of the Company are listed on the London Stock Exchange, it is regulated in the United Kingdom, principally having its shareholder base in the United Kingdom, pays dividends and expenses in Sterling. Consequently, the Board also considers the Company's presentational currency to be Sterling. At the year end, the Company's borrowing facilities amounted to £40 million, comprising a fixed rate loan of £20 million, which matures in December 2023, and a £20 million multi-currency revolving loan facility maturing in June 2024.

Significant accounting judgements, estimates and assumptions. The preparation of financial statements requires the consideration of certain significant accounting judgements, estimates and assumptions when management may need to exercise its judgement in the process of applying the accounting policies and these are continually evaluated. The Directors consider the material uncertainty present for the Company to continue as a going concern and the use of Sterling as its functional currency to be significant accounting judgements.

- (b) **Valuation of investments.** The Company has applied the recognition and measurement provisions of FRS 102 and investments have been designated upon initial recognition at fair value through profit or loss. This is done because all investments are considered to form part of a group of financial assets which is evaluated on a fair value basis, in accordance with the Company's documented investment strategy, and information about the grouping is provided internally on that basis. Listed investments have been measured upon initial recognition as fair value through profit or loss. Investments are recognised and de-recognised on the trade date at cost. Subsequent to initial recognition, investments are valued at fair value which for listed investments is deemed to be bid market prices. The fair value of the Company's investments in collective investment schemes has been determined by reference to their quoted net asset values. Gains and losses arising from changes in fair value are included as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserve.
- (c) **Income.** Dividends, including taxes deducted at source, are included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are reviewed on a case-by-case basis and are credited to capital, if circumstances dictate. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Other returns on non-equity shares are recognised when the right to return is established. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash dividend is recognised as revenue. Any excess in the value of the shares received over the amount of the cash dividend is recognised as capital. Interest receivable on bank balances is dealt with on an accruals basis.
- (d) **Expenses.** All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except as follows:
- expenses directly relating to the acquisition or disposal of an investment, which are charged to the capital column of the Statement of Comprehensive Income and are separately identified and disclosed in note 10; and
 - the Company charges 50% of investment management fees and finance costs to the capital column of the Statement of Comprehensive Income, in accordance with the Board's expected long term return in the form of capital gains and income respectively from the investment portfolio of the Company.
- (e) **Taxation.** The tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (see note 7 for a more detailed explanation).

Deferred taxation is provided on all timing differences, that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the Statement of Financial Position date, measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Due to the Company's status as an investment trust company, and the intention to continue to meet the conditions required to obtain approval for the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

Notes to the Financial Statements

Continued

(f) **Foreign currencies.** Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Statement of Financial Position date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on the realisation of foreign currencies are recognised in the Statement of Comprehensive Income as capital or revenue, depending upon their nature.

(g) **Dividends payable.** Final dividends are recognised from the date on which they are declared and approved by shareholders. Interim dividends are recognised when paid.

(h) **Nature and purpose of capital and reserves**

Called up share capital. The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve.

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

Capital redemption reserve. The capital redemption reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital. This reserve is not distributable.

Capital reserve. Gains or losses on disposal of investments and changes in fair values of investments are transferred to the capital reserve. The capital element of the management fee and relevant finance costs are charged to this reserve. Any associated tax relief is also credited to this reserve. The costs of share buybacks to be held in treasury have also been deducted from this reserve. This reserve is not distributable.

Revenue reserve. This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue is distributable, including by way of dividend.

(i) **Borrowings.** Bank loans are initially recognised at cost, being the fair value of the consideration received, net of any issue expenses. Subsequently, they are measured at amortised cost using the effective interest method. Finance charges are accounted for on an accruals basis using the effective interest rate method and are charged 50% to revenue and 50% to capital.

3. Income

	2023 £'000	2022 £'000
Income from investments		
UK dividend income	729	1,973
Overseas dividends	6,811	4,542
Stock dividends	-	152
	7,540	6,667
Other income		
Deposit interest	72	3
Total income	7,612	6,670

4. Management fee

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	945	945	1,890	1,170	1,170	2,340

Management services are provided by abrdn Fund Managers Limited ("aFML").

With effect from 1 May 2022, the management fee has been payable monthly in arrears based on an annual amount of 0.85% up to £350 million and 0.50% thereafter of the net asset value of the Company valued monthly, previously 0.85% of net assets, with the following provisions for commonly managed funds:

- the Company's investments in Aberdeen Standard SICAV – Indian Equity Fund, abrdn Asia Focus PLC and abrdn New India Investment Trust PLC are excluded from the calculation of the investment management fee. The total value of such commonly managed funds, on a bid price basis (basis on which the management fee is calculated), at the year end was £58,292,000 (2022 – bid basis – £59,390,000).
- the Company receives a rebate from the Manager for the amount of fees in excess of the above rates charged by the Manager for any commonly managed fund.

The balance due to aFML at the year end, net of any rebates, was £303,000 (2022 – £344,000).

The agreement is terminable by either party on not less than twelve months' notice to the other. In the event of termination by the Company on less than the agreed notice period, compensation is payable to the Manager in lieu of the unexpired notice period.

Notes to the Financial Statements

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5. Administrative expenses

	2023 £'000	2022 £'000
Promotional activities	185	177
Directors' fees	126	122
Safe custody fees	111	129
Depository fees	34	39
Auditor's remuneration:		
– fees payable for the audit of the Company's annual financial statements	30	29
Registrar's fees	62	67
Legal and professional fees	55	28
Other expenses	144	132
	747	723

The Company has an agreement with aFML for the provision of promotional activities. The total fees payable during the year were £185,000 (2022 – £177,000) and the sum due to aFML at the year end was £54,000 (2022 – £65,000).

The Company does not have any employees and no pension contributions were made in respect of any of the Directors.

With the exception of Auditor's remuneration, all of the expenses above include irrecoverable VAT where applicable.

6. Finance costs

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Bank loans and overdraft interest	473	473	946	406	406	812

7. Taxation

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a) Analysis of charge for the year						
Overseas tax	416	-	416	444	-	444
Overseas tax reclaimable	(74)	-	(74)	(78)	-	(78)
Total tax charge for the year	342	-	342	366	-	366

- (b) Factors affecting the tax charge for the year.** The UK corporation tax rate is 25% (2022 – 19%). The tax assessed for the year is higher (2022 – higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2023			2022		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return before taxation	5,447	(28,603)	(23,156)	4,371	(48,388)	(44,017)
Corporation tax at effective rate of 19.5% (2022 – standard rate of 19%)	1,062	(5,578)	(4,516)	830	(9,194)	(8,364)
Effects of:						-
Non-taxable UK dividend income	(142)	-	(142)	(375)	-	(375)
Non-taxable overseas dividends	(1,328)	-	(1,328)	(892)	-	(892)
Overseas tax suffered	342	-	342	366	-	366
Expenses not deductible for tax purposes	3	-	3	4	-	4
Surplus management expenses and loan relationship deficits not relieved	405	277	682	433	299	732
Non-taxable exchange losses	-	27	27	-	122	122
Non-deductible losses	-	5,274	5,274	-	8,773	8,773
Total tax charge	342	-	342	366	-	366

- (c) Provision for deferred taxation.** No provision for deferred taxation has been made in the current year or in the prior year. At 30 April 2023 the Company had surplus management expenses and loan relationship debits with a tax value of £10,395,000 (2022 – £9,522,000) in respect of which a deferred tax asset has not been recognised. This is because the Company is not expected to generate taxable income in a future period in excess of the deductible expenses of that future period and, accordingly, it is unlikely that the Company will be able to reduce future tax liabilities through the use of existing surplus expenses.

Notes to the Financial Statements

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8. Dividends

	2023 £'000	2022 £'000
Amounts recognised as distributions to equity holders in the period:		
Final dividend for 2022 – 3.3p (2021 – 3.3p)	3,507	3,587
Interim dividend for 2023 – 1.0p (2022 – 1.0p)	1,058	1,075
	4,565	4,662

The second interim dividend in respect of the year ended 30 April 2023 has not been included as a liability in these financial statements.

The table below sets out the dividends in respect of the financial year, which is the basis on which the requirements of Section 1158 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the year is £5,105,000 (2022 – £4,005,000).

	2023 £'000	2022 £'000
First interim dividend for 2023 – 1.0p	1,058	–
Second interim dividend for 2023 – 3.3p	3,451	–
Interim dividend for 2022 – 1.0p	–	1,075
Final dividend for 2022 – 3.3p	–	3,511
	4,509	4,586

Subsequent to the year end the Company and up to the record date of the second interim dividend for 2023 a further 420,000 Ordinary shares were purchased for treasury. Therefore the amounts reflected above for the cost of the second interim dividend for 2023 are based on 104,571,348 Ordinary shares, being the number of Ordinary shares in issue excluding those held in treasury at the date of this Report.

9. Return per Ordinary share

	2023		2022	
	£'000	p	£'000	p
Revenue return	5,105	4.82	4,005	3.71
Capital return	(28,603)	(27.00)	(48,388)	(44.81)
Total return	(23,498)	(22.18)	(44,383)	(41.10)

Weighted average number of Ordinary shares in issue^A 105,932,290 107,976,263

^A Calculated excluding shares held in treasury.

10. Investments at fair value through profit or loss

	2023 £'000	2022 £'000
Opening book cost	253,386	243,269
Opening investment holding gains	120,311	188,217
Opening fair value	373,697	431,486
Analysis of transactions made during the year		
Purchases at cost	69,728	82,957
Sales proceeds received	(75,780)	(94,574)
Losses on investments	(27,046)	(46,172)
Closing fair value	340,599	373,697
Closing book cost	264,474	253,386
Closing investment gains	76,125	120,311
Closing fair value	340,599	373,697
	2023 £'000	2022 £'000
Investments listed on an overseas investment exchange	322,007	340,908
Investments listed on the UK investment exchange	18,592	32,789
	340,599	373,697

The Company received £75,780,000 (2022 – £94,574,000) from investments sold in the period. The book cost of these investments when they were purchased was £58,640,000 (2022 – £72,840,000). These investments have been revalued over time and until they were sold any unrealised gains/(losses) were included in the fair value of the investments.

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

	2023 £'000	2022 £'000
Purchases	86	91
Sales	119	140
	205	231

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

Notes to the Financial Statements

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11. Debtors

	2023 £'000	2022 £'000
Prepayments and accrued income	348	308
Amounts due from brokers	-	1,141
Other loans and receivables	381	458
	729	1,907

12. Creditors

Amounts falling due within one year:	2023	2022
a) Loans	£'000	£'000
Foreign currency loans	3,640	8,504
Sterling loans	24,992	5,000
	28,632	13,504
b) Other	2023	2022
	£'000	£'000
Amounts due to brokers	92	2,363
Other creditors	637	631
	729	2,994
Non-current creditors:	2023	2022
	£'000	£'000
Sterling loan	-	19,978

At the year end the Company had drawn down HK\$21,000,000 (2022 – HK\$21,00,000), equivalent to £2,128,000 (2022 – £2,132,000), with a maturity date of 19 May 2023 (2022 – 25 May 2022), US\$1,900,000 (2022 – US\$8,000,000), equivalent to £1,512,000 (2022 – £6,372,000), with a maturity date of 19 May 2023 (2022 – 25 May 2022) and £5,000,000 (2022 – £5,000,000), with a maturity date of 19 May 2023 (2022 – 25 May 2022), and a fixed rate bank loan of £20,000,000 (2022 – £20,000,000), under the £40,000,000 multi-currency credit facility with The Royal Bank of Scotland International Limited at interest rates of 2.760%, 6.216%, 5.577% and 2.626% (2022 – 1.58839%, 2.06786%, 2.0905% and 2.626%) respectively.

As of the latest date prior to the signing of this Report the HK\$21,000,000 loan had been drawn down to 18 August 2023 at an interest rate of 6.359%, the US\$1,900,000 loan had been drawn down to 18 August 2023 at an interest rate of 6.45% and the £5,000,000 loan had been drawn down to 18 August 2023 at an estimated interest rate of 6.33%.

The terms of the bank loan with The Royal Bank of Scotland International Limited state that:

- the net tangible assets of the Company must be not less than £125 million at all times;
- the ratio of gross borrowings to adjusted assets must be less than 25% at all times (adjusted assets are total gross assets less (i) the value of any unlisted investment; (ii) the value in excess of 10% of total gross assets invested in the largest single security or asset; (iii) the value of any single security or asset (other than the largest security or asset referred to above) exceeds 5% of gross assets; (iv) the value in excess of 60% of total gross assets invested in the top twenty largest investments; (v) the extent to which the value of securities in collective investment schemes exceeds 30% of gross assets; and (vi) the extent to which the aggregated value of securities or assets in countries with a Standard and Poor's foreign sovereign debt rating lower than BBB exceeds 30% of gross assets.); and
- the facility, under which the loans are made, is split into two tranches, a £20,000,000 fixed rate facility which will expire on 14 December 2023 and a £20,000,000 revolving credit facility which will expire on 28 June 2024.

The Company has met all financial covenants throughout the period and up to the date of this Report.

13. Share capital

	2023 £'000	2022 £'000
Allotted, called up and fully paid:		
104,991,348 (2022 – 106,697,348) Ordinary shares of 5p each	5,249	5,335
Held in treasury:		
7,874,351 (2022 – 10,401,701) Ordinary shares of 5p each	394	520
	5,643	5,855

During the year 1,706,000 (2022 – 2,232,000) Ordinary shares of 5p each were repurchased by the Company at a total cost, including transaction costs, of £4,756,000 (2022 – £7,008,000). All of the shares were placed in treasury. On 30 April 2023 4,233,350 Ordinary shares held in treasury were cancelled. Shares held in treasury represent 7.0% (2022 – 8.9%) of the Company's total issued share capital of 112,865,699 Ordinary shares of 5p each at 30 April 2023. Shares held in treasury do not carry a right to receive dividends.

Subsequent to the year end the Company bought back for treasury a further 420,000 Ordinary shares for a total consideration of £1,253,000.

Notes to the Financial Statements

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14. Capital reserve

	2023 £'000	2022 £'000
At 1 May 2022	299,738	355,134
Movement in fair value gains	(27,046)	(46,172)
Foreign exchange movement	(139)	(640)
Buy back of Ordinary shares for treasury	(4,756)	(7,008)
Expenses allocated to capital	(1,418)	(1,576)
At 30 April 2023	266,379	299,738

The capital reserve includes investment holding gains amounting to £76,125,000 (2022 – £120,311,000), as disclosed in note 10.

15. Net asset value per share

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

	2023	2022
Net assets attributable	£314,133,000	£346,952,000
Number of Ordinary shares in issue (excluding shares held in treasury)	104,991,348	106,697,348
Net asset value per share	299.20p	325.17p

16. Analysis of changes in net debt

	At 30 April 2022 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 30 April 2023 £'000
Cash and short term deposits	7,824	(189)	(5,469)	-	2,166
Debt due within one year	(13,504)	50	4,814	(19,992)	(28,632)
Debt due after more than one year	(19,978)	-	-	19,978	-
	(25,658)	(139)	(655)	(14)	(26,466)

	At 30 April 2021 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 30 April 2022 £'000
Cash and short term deposits	2,364	133	5,327	–	7,824
Debt due within one year	(12,731)	(773)	–	–	(13,504)
Debt due after more than one year	(19,965)	–	–	(13)	(19,978)
	(30,332)	(640)	5,327	(13)	(25,658)

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

17. Financial instruments

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

The Board has delegated the risk management function to abrdr Fund Managers Limited ("aFML") under the terms of its management agreement with aFML (further details of which are included under note 4). The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period.

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

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

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

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

Notes to the Financial Statements

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

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

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

Interest rate risk. Interest rate movements may affect:

- the level of income receivable on cash deposits; and,
- interest payable on the Company's variable rate borrowings.

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

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise fixed rate, revolving, and uncommitted facilities. The fixed rate facilities are used to finance opportunities at low rates and, the revolving and uncommitted facilities to provide flexibility in the short-term. Current bank covenant guidelines state that the total borrowings will not exceed 25% of the adjusted net assets of the Company as defined in note 12.

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

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
At 30 April 2023				
Assets:				
China Yuan Renminbi	-	-	-	3
Sterling	-	3.18	-	2,134
Vietnam Dong	-	-	-	29
			-	2,166

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Liabilities:				
Bank loan - £20,000,000	0.62	2.63	19,992	-
Bank loan - £5,000,000	0.05	5.58	5,000	-
Bank loan - HK\$21,000,000	0.05	2.76	2,128	-
Bank loan - US\$1,900,000	0.05	6.22	1,512	-
			28,632	-

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
At 30 April 2022				
Assets:				
China Yuan Renminbi	-	-	-	3
Euro	-	-	-	1
Sri Lankan Rupee	-	-	-	7
Sterling	-	-	-	7,798
Taiwan Dollar	-	-	-	1
Vietnam Dong	-	-	-	14
			-	7,824

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Liabilities:				
Bank loan - £20,000,000	1.62	2.63	19,978	-
Bank loan - £5,000,000	0.07	2.09	5,000	-
Bank loan - HK\$21,000,000	0.07	1.59	2,132	-
Bank loan - US\$8,000,000	0.07	2.07	6,372	-
			33,482	-

Notes to the Financial Statements

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The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans is based on the interest rate payable, weighted by the total value of the loans. The maturity date of the Company's loans are shown in note 12.

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

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

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

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

Management of the risk. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings. The Company's borrowings, as detailed in note 12, are predominantly in sterling.

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

Foreign currency exposure by currency of denomination:

	30 April 2023			30 April 2022		
	Investments £'000	Net monetary assets £'000	Total currency exposure £'000	Investments £'000	Net monetary assets £'000	Total currency exposure £'000
Australian Dollar	36,504	-	36,504	31,303	157	31,460
China Yuan Renminbi	37,738	3	37,741	44,103	(747)	43,356
Euro	8,798	-	8,798	7,828	1	7,829
Hong Kong Dollar	88,390	(2,128)	86,262	77,221	(2,132)	75,089
Indonesian Rupiah	15,791	-	15,791	12,821	-	12,821
Philippine Peso	4,909	-	4,909	6,270	-	6,270
Singapore Dollar	16,714	-	16,714	22,576	(838)	21,738
South Korean Won	28,782	-	28,782	41,846	336	42,182
Sri Lankan Rupee	2,011	-	2,011	1,624	7	1,631
Taiwan Dollar	27,125	-	27,125	32,261	1	32,262
Thailand Baht	-	-	-	2,703	-	2,703
US Dollar	-	(1,512)	(1,512)	-	(6,372)	(6,372)
Vietnam Dong	6,897	29	6,926	11,656	14	11,670
Total	273,659	(3,608)	270,051	292,212	(9,573)	282,639

Foreign currency sensitivity. The following table details the Company's sensitivity to a 10% increase and decrease in sterling against the foreign currencies in which the Company has exposure. The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

	2023 £'000	2022 £'000
Australian Dollar	3,650	3,146
China Yuan Renminbi	3,774	4,336
Euro	880	783
Hong Kong Dollar	8,626	7,509
Indonesian Rupiah	1,579	1,282
Philippine Peso	491	627
Singapore Dollar	1,671	2,174
South Korean Won	2,878	4,218
Sri Lankan Rupee	201	163
Taiwan Dollar	2,713	3,226
Thailand Baht	-	270
US Dollar	(151)	(637)
Vietnam Dong	693	1,167
	27,005	28,264

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

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

Price risk sensitivity. If market prices at the Statement of Financial Position date had been 10% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 30 April 2023 would have increased/(decreased) by £34,060,000 (2022 - increased/(decreased) by £37,370,000) and equity reserves would have increased/(decreased) by the same amount.

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(ii) Liquidity risk. This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities as they fall due in line with the maturity profile analysed below.

	Within 1 year £'000	Total £'000
At 30 April 2023		
Bank loans	28,632	28,632
Interest cash flows on bank loans	430	430
Cash flows on other creditors	649	649
	29,711	29,711

	Within 1 year £'000	Within 1-2 years £'000	Total £'000
At 30 April 2022			
Bank loans	13,504	20,000	33,504
Interest cash flows on bank loans	548	396	944
Cash flows on other creditors	2,994	–	2,994
	17,046	20,396	37,442

Management of the risk. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise a £20,000,000 fixed rate credit facility, which expires on 14 December 2023 and £20,000,000 revolving multi-currency credit facility, which expires on 28 June 2024. The Board has imposed a maximum gearing level, measured on the most stringent basis of calculation after netting off cash equivalents, of 25%. Details of borrowings at 30 April 2023 are shown in note 12.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of the loan facility, details of which can be found in note 12. Under the terms of the loan facility, the Manager provides the lender with loan covenant reports on a monthly basis, to provide the lender with assurance that the terms of the facility are not being breached. The Manager will also review the credit rating of a lender on a regular basis. Details of the Board's policy on gearing are shown in the interest rate risk section of this note.

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

Management of the risk. Investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Manager, and limits are set on the amount that may be due from any one broker. Cash is held only with reputable banks with high quality external credit enhancements.

Credit risk exposure. In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 30 April was as follows:

	2023		2022	
	Statement of Financial Position £'000	Maximum exposure £'000	Statement of Financial Position £'000	Maximum exposure £'000
Current assets				
Loans and receivables	729	729	1,907	1,907
Cash at bank and in hand	2,166	2,166	7,824	7,824
	2,895	2,895	9,731	9,731

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

Fair values of financial assets and financial liabilities. The carrying values of fixed asset investments are stated at their fair values, which have been determined with reference to quoted market prices. For all other short-term debtors and creditors, their book values approximate to fair values because of their short-term maturity. Bank loans are valued at amortised cost in accordance with the Company's stated accounting policy.

18. Fair value hierarchy

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

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

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

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

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The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 30 April 2023				
Financial assets at fair value through profit or loss				
Quoted equities	292,251	-	-	292,251
Collective investment schemes	-	48,348	-	48,348
Total fair value	292,251	48,348	-	340,599

	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
As at 30 April 2022				
Financial assets at fair value through profit or loss				
Quoted equities	325,001	-	-	325,001
Collective investment schemes	-	48,696	-	48,696
Total fair value	325,001	48,696	-	373,697

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

Collective investment schemes. The fair value of the Company's investments in collective investment schemes has been determined by reference to their quoted net asset values at the reporting date and hence are categorised in Fair Value Level 2.

19. Related party transactions and transactions with the Manager

Fees payable during the period to the Directors and their interests in shares of the Company are disclosed within the Directors' Remuneration Report on pages 50 to 51.

Mr Young is also a director of the Company's Investment Manager, abrdn Asia Limited, which is a wholly-owned subsidiary of abrdn plc. Management, promotional activities and secretarial and administration services are provided to the Company by abrdn Fund Managers Limited. Details of transactions during the year and balances outstanding at the year end disclosed in notes 4 and 5.

20. Capital management policies and procedures

The investment objective of the Company is to provide shareholders with a high level of capital growth through equity investment in the Asia Pacific countries ex Japan.

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

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

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

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

The Company does not have any externally imposed capital requirements. As at 30 April 2023, the Company had net gearing of 8.5% which compares with a current maximum limit set by the Board of 25%.

21. Subsequent events

On 21 July 2023 the Board announced that it had agreed heads of terms with the board of Asia Dragon Trust plc ("Asia Dragon") in respect of a proposed combination of the Company with Asia Dragon. The combination, if approved by each company's shareholders, will be effected by way of a scheme of reconstruction and winding up of the Company under section 110 of the Insolvency Act 1986 with the associated transfer of part of the assets and undertaking of the Company to Asia Dragon in exchange for the issue of new ordinary shares in Asia Dragon (the "Scheme"). Under the terms of the Scheme an up to 25% cash exit opportunity will be offered to the Company's shareholders to realise part of their investment in the Company at a 2% discount to the adjusted net asset value.



Corporate Information

The Company's Investment Manager is a subsidiary of abrdn plc. The abrdn Group's assets under management and administration were £496 billion as at 30 June 2023.

Information about the Investment Manager

abrdn Asia Limited

The Company's Investment Manager is abrdn Asia Limited, which is based in Singapore, is a wholly-owned subsidiary, and the Asia Pacific headquarters, of abrdn plc.

The abrdn Group's assets under management and administration were £496 billion as at 30 June 2023, managed for a range of clients including 19 UK-listed closed end investment companies

The Investment Team Senior Managers



James Thom

Senior Investment Director, Asian Equities

James Thom joined the Asian Equities Team at abrdn in 2010 from Actis, the emerging markets private equity firm. James graduated with an MBA from INSEAD, an MA from Johns Hopkins University and a BSc from University College London. He is based in Singapore.



Xin-Yao Ng

Investment Manager, Asian Equities

Xin-Yao Ng joined the Asian Equities Team at abrdn in 2018 from Allard Partners, where he was an investment analyst. Xin-Yao graduated with an MBA from Fudan University in Shanghai and a BSc in Business from Nanyang Technological University in Singapore. He is based in Singapore.

Information about the Investment Manager

Continued

The Investment Process

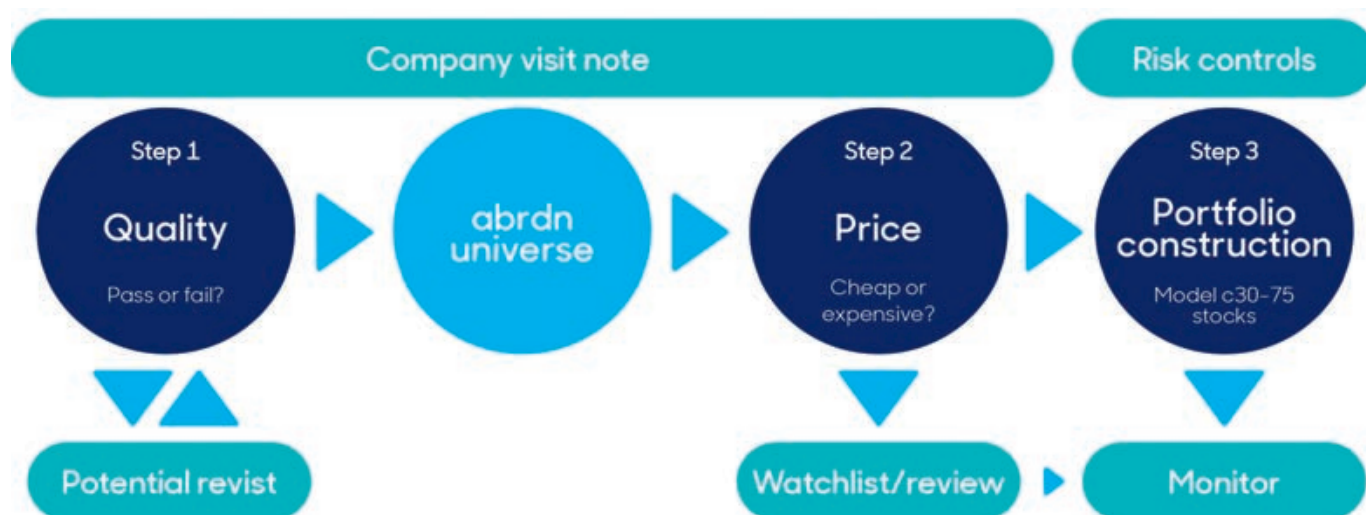
Philosophy and Style

The Investment Manager's view is that markets are not always efficient. It believes that superior investment returns are therefore attainable by identifying good companies that are trading cheaply, defined in terms of the fundamentals that in its opinion drives share prices over the long-term. The Investment Manager undertakes substantial due diligence before initiating any investment, including company visits in order to assure itself of the quality of the prospective investment. It is then careful not to pay too high a price when making the investment. Subsequent to that investment the Investment Manager then keeps in close touch with the company, aiming to meet management at least twice a year. Given the Investment Manager's long-term fundamental investment philosophy, it would not expect much change in the companies in which it invests. It does, however, take opportunities offered to it by what it sees as anomalous price movements within stock markets to either top up or top slice positions, which typically accounts for the bulk of the activity within the portfolio.

Risk Controls

The Investment Manager's primary risk control is at the stock level with its rigorous company research process helping it to avoid stock specific errors. The Investment Manager views investment in poorly run expensive companies that it does not understand as risk. However, it does also pay close attention to portfolio level risks and it has access to a number of on-desk quantitative risk tools. These help ensure that the portfolio managers are fully aware of, and comfortable with, the risk positions that result from the bottom-up stock picking. They help guard against the portfolio managers taking unintended risk in any one area and ensure that active positions reflect their conviction levels.

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



The Investment Manager's Approach to ESG

Introduction

Although Environment, Social and Governance ("ESG") factors are not the over-riding criteria in relation to the investment decisions taken by the Investment Manager, significant prominence is placed on ESG and climate related factors throughout the investment process. The following pages highlight the way that ESG and climate change are considered by the Investment Manager. These processes are reviewed regularly and liable to change and the latest information will be available for download on the Company's website.

Core beliefs: Assessing Risk, Enhancing Value

Whilst the management of the Company's investments is not undertaken with any specific instructions to exclude certain asset types or classes, the consideration of ESG factors is a fundamental part of the Investment Manager's process and has been so for over 30 years. It is one of the key criteria on which the Investment Manager assesses the investment case for any company in which it invests for three key reasons

Responsible Investing – Integration of ESG into the Investment Manager's Process

"By embedding ESG factors into our active equity investment process, we aim to reduce risk, enhance potential value for our investors and foster companies that can contribute positively to the world." abrdn

Financial Returns	ESG factors can be financially material – the level of consideration they are given in a company will ultimately have an impact on corporate performance, either positively or negatively. Those companies that take their ESG responsibilities seriously tend to outperform those that do not.
Fuller Insight	Systematically assessing a company's ESG risks and opportunities alongside other financial metrics allows the Investment Manager to make better investment decisions.
Corporate Advancement	Informed and constructive engagement helps foster better companies, protecting and enhancing the value of the Company's investments.

"We believe that the market systematically undervalues the importance of ESG factors. We believe that in-depth ESG analysis is part of both fundamental company research and portfolio construction and will lead to better client outcomes." abrdn

The Investment Manager's Approach to ESG

Continued

Researching Companies: Deeper Company Insights for Better Investor Outcomes

The Investment Manager conducts extensive and high-quality fundamental and first-hand research to fully understand the investment case for every company in its global universe. A key part of the Investment Manager's research involves focusing its extensive resources on analysis of ESG issues. The Investment Manager's portfolio managers, ESG equity analysts and central ESG Investment Team collaborate to generate a deep understanding of the ESG risks and opportunities associated with each company. Stewardship and active engagement with every company are also fundamental to the investment process, helping to produce positive outcomes that lead to better risk-adjusted returns.

Global ESG Infrastructure

The Investment Manager has around 150 equity professionals globally. Each systematically analyses ESG risks and opportunities as part of the research output for each company. Its central team and ESG equity analysts support the Investment Manager's first-hand company analysis, producing research into specific themes (e.g. labour relations or climate change), sectors (e.g. forestry) and ESG topics to understand and highlight best practice. Examples of thematic and sector research can be found on the Manager's website.

Portfolio Managers	All of the Investment Manager's equity portfolio managers seek to engage actively with companies to gain insight into their specific risks and provide a positive ongoing influence on their corporate strategy for governance, environmental and social impact.
ESG Equity Analysts	The Investment Manager has dedicated and highly experienced ESG equity analysts located across the UK, US, Asia and Australia. Working as part of individual investment teams, rather than as a separate department, these specialists are integral to pre-investment due diligence and post-investment ongoing company engagement. They are also responsible for reviewing thematic research produced by the central ESG Investment Team (see below), interpreting and translating it into actionable insights and engagement programmes for its regional investment strategies.
ESG Investment Team	This central team of more than 20 experienced specialists based in Edinburgh and London provides ESG consultancy and insight for all asset classes. Taking a global approach both identifies regions, industries and sectors that are most vulnerable to ESG risks and identifies those that can take advantage of the opportunities presented. Working with portfolio managers, the team is key to the Investment Manager's active stewardship approach of using shareholder voting and corporate engagement to drive positive change.

Climate Change

The Investment Manager has a duty to consider all factors that may have a financially material impact on returns. Climate change is such a key factor.

The related physical and transition risks are considerable and are becoming increasingly financially material for many companies. Not only for those in the obvious high-emitting sectors, such as energy, utilities and transportation, but also for those along the supply chain, providers of finance and in those reliant on agricultural outputs and water.

In the Investment Manager's view, companies that successfully manage climate change risks will perform better in the long-term. It is important that the Investment Manager assesses the financial implications of material climate change risks across all asset classes, including real assets, to make portfolios more resilient to climate risk.

Adaptation measures are essential to help limit damages from the physical impacts of climate change. Comparable climate-related data is necessary to enable effective decision making, and is something the Investment Manager actively sources and incorporates into its process. The Investment Manager is supportive of the Task Force on Climate-related Financial Disclosures ("TCFD") framework to strengthen climate reporting globally.

Regular engagement with high-emitting investee companies allows the Investment Manager to better understand its exposure and management of climate change risks and opportunities. In actively managed investments, ownership provides a strong ability to challenge companies where appropriate. The Investment Manager can also influence corporate behaviour positively in relation to climate-risk management.

The Investment Manager believes that this is more powerful for an effective energy transition than a generic fossil fuel divestment approach. Through active engagement it is possible to steer investee companies towards ambitious targets and more sustainable low-carbon solutions. If there is limited progress in response to the engagement, the Investment Manager will consider the ultimate option of selling its holdings.

The Investment Manager strongly encourages companies to consider the social dimension of the energy transition to ensure it is inclusive and 'just'. This means worker and community needs are considered on the path to a low-carbon economy so they are not left stranded. Other social aspects, such as affordability and reliability of energy supply are also important. Influencing through engagement has worked particularly well in collaboration with other asset managers and asset owners as part of its involvement in Climate Action 100+. This is a five-year initiative to engage and influence high-emitting companies collaboratively.

Consideration of climate change risks and opportunities is an integral part of the investment process and corporate engagement is seen as essential to ensuring that portfolio companies manage climate-related risks and support a 'just' energy transition. This is an important part of the role of an active investor.

The Investment Manager provides climate change insights through research and data to investment decision makers. This helps assess the financial materiality of climate change risks and opportunities.

The Investment Manager aims to influence the management of climate-related risks through engagement and voting and is part of Climate Action 100+ having signed the 2018 Just Transition statement.

The Investment Manager's Approach to ESG

Continued

From Laggards to Best in Class: Rating Company ESG Credentials

A systematic and globally-applied approach to evaluating stocks allows the Investment Manager to compare companies consistently on their ESG credentials – both regionally and against their peer group.

The Investment Manager captures the findings from its research and company engagement meetings in formal research notes.

Some of the key questions include:

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

Having considered the regional universe and peer group in which the company operates, the Investment Manager's equity team then allocates it an ESG rating between one and five (see below). This is applied across every company that the Investment Manager covers globally.

The Investment Manager also uses a combination of external and proprietary in-house quantitative scoring techniques to complement and cross-check analyst-driven ESG assessments. ESG analysis is peer-reviewed within the equities team, and ESG factors impacting both sectors and stocks are discussed as part of the formal sector reviews. To be considered 'best in class', the management of ESG factors must be a material part of the company's core business strategy. It must provide excellent disclosure of data on key risks. It must also have clear policies and strong governance structures, among other criteria



Working with Companies: Staying Engaged, Driving Change

Once the Investment Manager invests in a company, it is committed to helping that company maintain or raise its ESG standards further, using the Investment Manager's position as a shareholder to press for action as needed. The Investment Manager actively engages with the companies in which it invests to maintain ESG focus and encourage improvement.

The Investment Manager views this programme of regular engagement as a necessary fulfilment of its duty as a responsible steward of clients' assets. It is also an opportunity to share examples of best practice seen in other companies and to use its influence to effect positive change. The Investment Manager's engagement is not limited to the company's management team. It can include many other stakeholders such as non-government agencies, industry and regulatory bodies, as well as activists and the company's clients. What gets measured gets managed, so the Investment Manager strongly encourages companies to set clear targets or key performance indicators on all material ESG risks.

The investment process consists of four interconnected and equally important stages.

Monitor	Contact	Engage	Act
Ongoing due diligence • Business performance • Company financials • Corporate governance • Company's key risks and opportunities	Frequent dialogue • Senior executives • Board members • Heads of departments and specialists • Site visits	Exercise rights • Attend AGM/EGMs • Always vote • Explain voting decisions • Maximise influence to drive positive outcomes	Consider all options • Increase or decrease shareholding • Collaborate with other investors • Take legal action if necessary

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 Trust Corporation UK Limited 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: newdawn-trust.co.uk. The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 104.

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 Registrar (see Contact Addresses). Changes of address must be notified to the Registrar in writing.

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

abrdn Investment Trust Savings Plans (the "Plans")

In June 2023, abrdn notified existing investors in the abrdn Investment Trust ISA, Share Plan and Investment Plan for Children that these plans will be closing in December 2023. The Plans are no longer open to new investors.

If you are an existing investor in the Plans and have any queries, please contact our Investor Services department on **0808 500 4000** or **+44 1268 448 222** from overseas. We are open 9.00am to 5.00pm Monday to Friday. Call charges will vary. Alternatively, please contact us by email at: inv.trusts@abrdn.com. Email is not a secure form of communication so you should not send any personal or sensitive information.

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 private investors, there are a number of online dealing platforms 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 trusts, 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

How to Attend and Vote at Company Meetings

Investors who hold their shares through a platform or share plan provider (for example Hargreaves Lansdown, Interactive Investor or AJ Bell) and would like to attend and vote at Company meetings (including AGMs) should contact their platform or share plan provider directly to make arrangements.

Investors who hold their shares through platforms and have their shares held through platform nominees, may not necessarily receive notification of general meetings and are advised to keep themselves informed of Company business by referring to the Company's website. Where voting is required, and the Board encourages shareholders to vote at all general meetings of the Company, shareholders with their holdings in nominees will need to instruct the nominee to vote on their behalf and should do so in good time before the meetings.

Keeping You Informed

Information about the Company can be found on its website: newdawn-trust.co.uk, including share price and performance data as well as London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager. **Investors can receive updates via email by registering on the home page of the website.**

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](https://twitter.com/abrdnTrusts)

LinkedIn:

[abrdn Investment Trusts](https://www.linkedin.com/company/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.

Suitable for Retail/NMPI Status

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

The Company currently conducts its affairs so that its securities can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream pooled investments ("NMPIs") and intends to continue to do so for the foreseeable future. The Company's securities are excluded from the Financial Conduct Authority's restrictions which apply to NMPIs because they are securities issued by an investment trust.

Note

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

As with all equity investments, the value of investment trust 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 98 to 99 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by abrdn Investments Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Glossary of Terms

abrdn Group or abrdn

The abrdn plc group of companies.

AIC

The Association of Investment Companies.

AIFMD

The UK version of the Alternative Investment Fund Managers Directive and all implementing and delegating legislation thereunder, as it forms part of UK law following the UK's departure from the EU. The AIFMD was originally European legislation which created a European-wide framework for regulating managers of 'alternative investment funds' ("AIFs"). It is designed to regulate any fund which is not a UCITS fund and which is managed and/or marketed in the EU (and, now, separately, the UK). The Company has been designated as an AIF.

Benchmark

This is a measure against which an Investment Trust's performance is compared. The Company's benchmark is the MSCI All Countries Asia Pacific ex Japan Index (Sterling adjusted). The index averages the performance of a defined selection of listed companies over specific time periods.

Closed-End Fund

A collective investment scheme which has a fixed number of shares which are not redeemable from the fund itself. Unlike open-ended funds, new shares/units are not created by managers to meet demand from investors; instead, shares are purchased (or sold) only in the market. Closed-end funds are normally listed on a recognised stock exchange, such as the London Stock Exchange, and shares can be bought and sold on that exchange.

Discount

The amount by which the market price per share of an Investment Trust is lower than the Net Asset Value per share. The discount is normally expressed as a percentage of the Net Asset Value per share.

Dividend Cover

Earnings per share divided by dividends per share expressed as a ratio.

Dividend Yield

The annual dividend expressed as a percentage of the share price.

FCA

Financial Conduct Authority.

Gearing

Net gearing is calculated by dividing total borrowings, less cash or cash equivalents, by shareholders' funds expressed as a percentage.

Investment Manager

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

Investment Trust

A type of Closed-End Fund which invests in other securities, allowing shareholders to share the risks, and returns, of collective investment.

Key Information Document or KID

The UK version of the Packaged Retail and Insurance-based Investment Products ("PRIIPS") Regulation (as it forms part of UK law following the UK's departure from the EU) requires the Manager, as the Company's PRIIP 'manufacturer', to prepare a Key Information Document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available via the Company's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

Leverage

For the purposes of the AIFMD, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its Net Asset Value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.

Manager, AIFM or aFML

abrdn Fund Managers Limited is a wholly owned subsidiary of abrdn plc and acts as the Alternative Investment Fund Manager for the Company. It is authorised and regulated by the FCA.

Net Asset Value or NAV

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

Ongoing Charges

Ratio of expenses as a percentage of average daily shareholders' funds calculated as per the AIC's industry standard method.

Pre-Investment Disclosure Document ("PIDD")

The AIFM and the Company are required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within a PIDD, which can be found on the Company's website.

Premium

The amount by which the market price per share of an Investment Trust exceeds the Net Asset Value per share. The premium is normally expressed as a percentage of the Net Asset Value per share.

Price/Earnings Ratio

This is calculated by dividing the market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.

Prior Charges

The name given to all borrowings including debentures, loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital irrespective of the time until repayment.

Total Assets

Total Assets as per the Statement of Financial Position less current liabilities (before deducting Prior Charges as defined above).

Total Return

Share Price Total Return involves reinvesting the net dividend in the month that the share price goes ex-dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Company on the date to which that dividend was earned.

Share Capital History

Issued Share Capital at 30 April 2023

104,991,348 Ordinary shares of 5p (112,865,699 including treasury shares)

Treasury Shares at 30 April 2023

7,874,351 Ordinary shares of 5p

Share Capital History

12 May 1989

15,000,000 Ordinary shares of 25p each placed at 100p with 3,000,000 Series A Warrants attaching, each conferring the right to subscribe for one Ordinary share of 25p at 95.88p.

1 November 1989

15,000,000 Ordinary shares of 25p each issued with 3,000,000 Series B Warrants attaching, each conferring the right to subscribe for one Ordinary share of 25p at 135p in connection with a Placing and Offer to shareholders at 128p.

September 1991 to September 1993

10,737 Ordinary shares issued following the exercise of 8,800 Series A Warrants and 1,937 Series B Warrants.

9 March 1994

12,648,506 'C' shares of £1 each issued in connection with a Placing and Open Offer to shareholders at 250p.

15 August 1994

The 'C' shares were converted into 13,150,099 Ordinary shares of 25p and 2,629,676 Series C Warrants conferring the right to subscribe for one Ordinary share of 25p at 270p.

September 1994 to September 1997

3,259 Ordinary shares issued following the exercise of 1,700 Series A Warrants, 1,065 Series B Warrants and 494 Series C Warrants.

April 1998 to January 1999

490,000 Ordinary shares and 1,324,823 Series A Warrants purchased for cancellation.

19 March 1999

8,638,536 Ordinary shares were issued when a Scheme of Arrangement to acquire certain assets of Aberdeen Emerging Asia Investment Trust Limited became effective.

Year ended 30 April 1999

25,655,296 Ordinary shares and 921,596 Series A Warrants purchased for cancellation.

August 1999 to August 2000

145,697 Ordinary shares issued following the exercise of 36,872 Series A Warrants, 108,805 Series B Warrants and 20 Series C Warrants.

September 1999 to August 2000

1,240,899 Ordinary shares, 691,584 Series A Warrants and 2,852,986 Series B Warrants purchased for cancellation.

8 August 2000

Final exercise date for all outstanding Warrants, being 14,625 Series A Warrants, 35,207 Series B Warrants and 2,629,162 Series C Warrants.

9 August 2000 to 30 April 2001

1,270,000 Ordinary shares purchased for cancellation.

Year ended 30 April 2002

25,000 Ordinary shares purchased for cancellation.

Year ended 30 April 2005

140,000 Ordinary shares issued for cash.

Year ended 30 April 2006

1,980,000 Ordinary shares issued for cash.

Year ended 30 April 2008

477,731 Ordinary shares purchased to hold in treasury.

Year ended 30 April 2014

The Ordinary shares of 25p were sub-divided into five Ordinary shares of 5p which took effect on the close of business on 2 September 2013.

Year ended 30 April 2015

214,000 Ordinary shares purchased to hold in treasury.

Year ended 30 April 2016

3,814,000 Ordinary shares purchased to hold in treasury.

Year ended 30 April 2017

3,656,912 Ordinary shares purchased to hold in treasury.

Year ended 30 April 2018

2,398,250 Ordinary shares purchased to hold in treasury.

3,887,029 treasury shares cancelled.

Year ended 30 April 2019

2,622,500 Ordinary shares purchased to hold in treasury.

2,819,187 treasury shares cancelled.

Year ended 30 April 2020

1,270,000 Ordinary shares purchased to hold in treasury.

Year ended 30 April 2021

1,642,000 Ordinary shares purchased to hold in treasury.

3,130,400 treasury shares cancelled.

Year ended 30 April 2022

2,232,000 Ordinary shares purchased to hold in treasury.

Year ended 30 April 2023

1,706,000 Ordinary shares purchased to hold in treasury.

4,233,350 treasury shares cancelled.

AIFMD Disclosures

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

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

- information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report;
- none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- the Strategic Report, note 17 to the financial statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected;
- there are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by aFML; and
- all authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the AIFM's remuneration policy is available from the Company Secretary, abrdn Holdings Limited, on request and the remuneration disclosures in respect of the AIFM's reporting period for the year ended 31 December 2022 are available on the Company's website.

	Gross Method	Commitment Method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 30 April 2023	1.18:1	1.18:1

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

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

Alternative Performance Measures

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 FRS 102 and the AIC SORP.

Dividend cover

Dividend cover is the revenue return per share divided by dividends per share expressed as a ratio.

		2023	2022
Revenue return per share	a	4.82p	3.71p
Dividends per share	b	4.30p	4.30p
Dividend cover	a/b	1.12	0.86

Discount to net asset value per Ordinary share (including current year income)

The amount by which the market price per Ordinary share is lower than the net asset value per Ordinary share (including current year income), expressed as a percentage of the net asset value per Ordinary share.

		2023	2022
NAV per Ordinary share (p)	a	299.20	325.17
Share price (p)	b	261.00	286.00
Discount	(a-b)/a	12.8%	12.0%

Discount to net asset value per Ordinary share (excluding current year income)

The amount by which the market price per Ordinary share is lower than the net asset value per Ordinary share (excluding current year income), expressed as a percentage of the net asset value per Ordinary share.

		2023	2022
Net asset value per Ordinary share (p)	a	295.34	322.43
Share price (p)	b	261.00	286.00
Discount	(a-b)/a	11.6%	11.3%

Alternative Performance Measures

Continued

Net asset value per Ordinary share (excluding current year income)

The Company also uses net asset value (excluding current year income) per share as an alternative performance measure. This is calculated as follows:

	2023	2022
Net assets attributable (£'000)	314,133	346,952
Less: Revenue return after taxation for the year (£'000)	(5,105)	(4,005)
Add: Dividends paid during the year (£'000)	1,058	1,075
Net assets (ex income) (£'000)	310,086	344,022
 Number of Ordinary shares in issue	 104,991,348	 106,697,348
 NAV (ex income) per Ordinary share	 295.34p	 322.43p

Net gearing

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

		2023	2022
Borrowings (£'000)	a	28,632	33,482
Cash (£'000)	b	2,166	7,824
Amounts due to brokers (£'000)	c	92	2,363
Amounts due from brokers (£'000)	d	-	1,141
Shareholders' funds (£'000)	e	314,133	346,952
Net gearing	(a-b+c-d)/e	8.5%	7.7%

Ongoing charges

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

	2023	2022
Management fees (£'000)	1,890	2,340
Administrative expenses (£'000)	747	723
Less: non-recurring charges ^A (£'000)	(14)	-
Ongoing charges (£'000)	2,623	3,063
Average net assets (£'000)	336,444	383,039
Ongoing charges ratio (excluding look-through costs)	0.78%	0.80%
Look-through costs ^B	0.35%	0.33%
Ongoing charges ratio (including look-through costs)	1.13%	1.13%

^A Legal and professional fees considered unlikely to recur.

^B Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis.

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

Alternative Performance Measures

Continued

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 Index, respectively.

Year ended 30 April 2023		NAV	Share Price
Opening at 1 May 2022	a	325.17p	286.00p
Closing at 30 April 2023	b	299.20p	261.00p
Price movements	$c=(b/a)-1$	-8.0%	-8.7%
Dividend reinvestment ^A	d	1.2%	1.4%
Total return	c+d	-6.8%	-7.3%

Year ended 30 April 2022		NAV	Share Price
Opening at 1 May 2021	a	369.97p	328.50p
Closing at 30 April 2022	b	325.17p	286.00p
Price movements	$c=(b/a)-1$	-12.1%	-12.9%
Dividend reinvestment ^A	d	1.1%	1.1%
Total return	c+d	-11.0%	-11.8%

^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.

Contact Addresses

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Registered in England & Wales No. 02377879

United States Internal Revenue Service FATCA Registration Number ("GIIN")

SL62LS.99999.SL.826

Legal Entity Identifier ("LEI")

5493002K00AHWEME3J36

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Shareholder help can be found at shareview.co.uk.

Alternatively, you can contact the Shareholder Helpline:

+44 (0)371 384 2504*

(*Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday excluding public holidays in England and Wales). Charges for calling telephone numbers starting with '03' are determined by the caller's service provider.)

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