



abrdn Asian Income Fund Limited

Annual Report 31 December 2024

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Find out more

www.asian-income.co.uk

About the Company

A bottom-up, unconstrained strategy focused on delivering rising income and capital growth by investing in quality Asia Pacific companies at sensible valuations.

Our Investment Manager's teams are on the ground in Asia, seeking cash-generative companies with strong balance sheets that pay attractive dividends to their shareholders.

The investment approach

Through intensive, first-hand research, our Investment Manager actively manages the portfolio to deliver long-term returns.

01

Identifying and investing in quality assets

Our Investment Manager rates every investment against strict quality criteria designed for each asset class. Intensive first-hand research, supported by its global presence and proprietary tools, means it can often identify investments whose quality is not yet fully recognised by the market.

02

Team-based, high-conviction thinking

Instead of star managers, our Investment Manager uses the insight and analysis of its whole team to rate and select investments. This in turn gives them the conviction to focus on their best ideas – and build a portfolio that may be very different from the Index and competitor funds.

03

Being forward focused

Achieving superior results by being forward-focused. Our Investment Manager focuses on what is changing in companies, industries and markets but is not being priced in or is being mispriced. It analyses the dynamic factors shaping opportunities and identifies the corporate leaders of the future.

04

Encouraging positive change

Our Investment Manager believes that investing sustainably has the ability to create a fairer, healthier world. It is also critical to managing risk and generating better returns. Analysis of ESG factors is part of the investment process.

Once invested, our Investment Manager actively engages with companies to continue raising standards across their activities and operations.

The Company at a Glance

14.43p

Dividend per Ordinary share

£410.3m

Net Assets

6.6%

Dividend yield


10.8%

NAV total return

12.0%

Share price total return





Targeting income and capital growth from a fund invested in some of Asia's most successful and promising companies, expertly managed by teams on the ground.



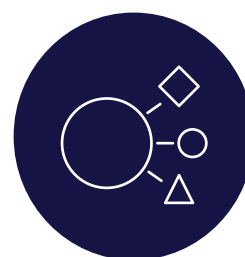
We get Asia because we're here.

We speak the language and live the culture of where we invest; gaining first-hand market insights and enriching data with a deep understanding of the local landscape.



Relationships to rely on.

Our connections breed consistency. We build and maintain partnerships with companies and their management teams to unlock their business growth and your income potential.



Diversification, delivered.

From established brands to growth industries, we extend beyond boundaries and sectors to diversify income opportunities from the strongest-performing and fastest-growing businesses across Asia.

The Engine of Global Growth: Asia is set to power more than half of the world's GDP, solidifying its role as a leading force in global economic expansion.

Dividends Driving Returns: More than half of the total returns in Asian equities now come from dividends, making them a key driver of market performance.

Asia's Dividend Revolution: Corporates and governments across Asia are increasingly prioritising dividends, with 50% of the MSCI AC Asia Pacific ex Japan Index now offering yields above 2.5%.



The Company in detail

See under the foldout detailed information on the make-up of the Company.

Performance Highlights

The share price total return for the year ended 31 December 2024 was 12.0% and the NAV total return was 10.8%.

Dividend yield of 6.6%.

Ordinary share price total return^{AB}

+12.0%



Net asset value total return^{AB}

+10.8%



MSCI AC Asia Pacific ex Japan Index total return (currency adjusted)^B

+12.6%



Dividend yield^{ACD}

6.6%



Dividend per Ordinary share

14.43p



Earnings per Ordinary share – basic (revenue)

11.35p



Discount to net asset value per Ordinary share^{AC}

12.5%



Ongoing charges^{AE}

0.85%



Net gearing^{AC}

7.2%



^A Alternative Performance Measure (see pages 101 to 103).

^B Total return represents the capital return plus dividends reinvested.

^C As at 31 December.

^D Yield is calculated as the dividend per Ordinary share divided by the share price per Ordinary share expressed as a percentage.

^E Calculated in accordance with the latest AIC guidance issued in October 2020 to increase the scope of reporting the look-through costs of holdings in investment companies.

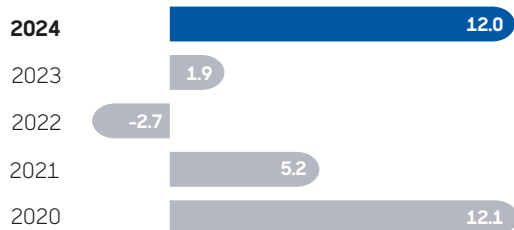
6.6%
Dividend yield

12.0%
Share price total return

10.8%
NAV total return

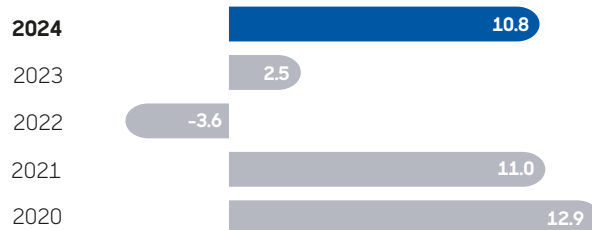
Ordinary share price total return^A

To 31 December – percentage



Net asset value total return^A

To 31 December – percentage



MSCI AC Asia Pacific ex Japan Index total return (currency adjusted)

To 31 December – percentage



Dividends per Ordinary share

To 31 December – pence



^A Alternative Performance Measure (see pages 101 to 103).

Summary of Results

Financial Highlights

| | 31 December 2024 | 31 December 2023 | % change |
|--|---------------------|---------------------|----------|
| Net asset value total return ^A | +10.8% | +2.5% | |
| Share price (Ordinary) total return ^A | +12.0% | +1.9% | |
| MSCI AC Asia Pacific ex Japan Index total return (currency adjusted) | +12.6% | +1.6% | |
| Market capitalisation (£million) | £330.7 | £347.7 | -4.9 |
| Discount to net asset value per Ordinary share ^A | 12.5% | 12.8% | |
| Ongoing charges ratio ^A | 0.85% | 1.00% | |
| Dividends and earnings | | | |
| Total return per Ordinary share ^B | 21.49p | 5.18p | n/a |
| Earnings per Ordinary share – basic (revenue) ^B | 11.35p | 11.97p | -5.2 |
| Dividends per Ordinary share ^C | 14.43p | 11.75p | +22.8 |
| Dividend cover per Ordinary share ^A | 0.79 | 1.02 | - |
| Revenue reserves (£million) ^D | £3.5 | £7.7 | |
| Dividend yield ^A | 6.6% | 5.6% | |

^A Considered to be an Alternative Performance Measure as defined on pages 101 to 103.

^B Measures the relevant earnings for the year divided by the weighted average number of Ordinary shares in issue (see note 10 on page 72).

^C The figure for dividends reflects the years in which they were earned (see note 9 on page 71).

^D The revenue reserves figure takes account of the fourth interim dividend amounting to £10,148,000 (2023 – fourth interim amounting to £7,100,000).

Capital Performance to 31 December 2024

| | 31 December 2024 | 31 December 2023 | % change |
|--|---------------------|---------------------|----------|
| Total assets (see definition on page 98) (£million) | £410.3 | £431.0 | -4.8 |
| Total equity shareholders' funds (net assets) (£million) | £377.9 | £398.9m | -5.3 |
| Net asset value per Ordinary share | 251.42p | 238.59p | +5.4 |
| Ordinary share price | 220.00p | 208.00p | +5.8 |

Long-Term Total Return Performance to 31 December 2024

| | 1 year % return | 3 year % return | 5 year % return | Since launch ^B % return |
|---|--------------------|--------------------|--------------------|---------------------------------------|
| Net asset value ^A | +10.8 | +9.5 | +37.2 | +442.6 |
| Share price (Ordinary) ^A | +12.0 | +11.0 | +31.0 | +385.4 |
| MSCI AC Asia Pacific ex Japan Index (currency adjusted) | +12.6 | +6.7 | +24.7 | +360.2 |

^A Considered to be an Alternative Performance Measure (see pages 101 to 103 for more details).

^B Launch date being 20 December 2005.



Strategic Report

The Company aims to attract long-term private and institutional investors wanting to benefit from the income and growth potential of Asia's most compelling companies.



Chairman's Statement



Highlights

- Dividend yield of 6.6% (total dividend for the year of 14.43p, an increase of 22.8%).
- Share price total return of 12.0%.
- Ongoing charges decreased from 1.0% to 0.85%.
- Enhanced annual dividend policy introduced from the start of the 2025 financial year (notional annual dividend yield of 7.1%).
- Continuation vote to be held every three years.

Performance

It is pleasing to report a strong year of returns for shareholders. The share price total return was 12.0% and the net asset value ("NAV") total return was 10.8%. These returns compare to a total return of 12.6% from the MSCI AC Asia Pacific ex Japan Index (the "Index"). The Company continues to have a strong longer term record, outperforming the Index for both NAV and share price total return over three and five years as set out in more detail on page 27.

It is also pleasing to report an increase of 22.8% in the dividend for the year, providing a yield of 6.6%, and a significant reduction in our ongoing charges ratio following a renegotiation of the management fee at the beginning of the year.

The discount at the year end was 12.5%, although at the time of writing it has reduced to around 10.5% following the introduction of the new enhanced dividend policy outlined below.

Throughout the year, our Investment Manager's focus on quality high-yielding stocks in Asia provided a good buffer against the impact of the various macroeconomic and political

headwinds. A more detailed summary of market developments and performance for the year can be found in the Investment Manager's Review on pages 11 to 16.

Revenue and Dividends

Four quarterly dividends were declared in respect of the year. The first three dividends were paid at a rate of 2.55p with a fourth interim dividend of 6.78p, resulting in total dividends for the year of 14.43p per share. This represents a 22.8% increase (compared to last year's dividends of 11.75p per share), providing a yield of 6.6% based on the year end share price.

The Board is pleased to note that this represents the sixteenth consecutive year of annual dividend increases and means that the Company continues to be a "next generation dividend hero" as recognised by the Association of Investment Companies.

Revenue earnings per share for the year were 11.35p (2023: 11.97p). Income generation from the portfolio continues to be strong, with the Company benefitting from our Investment Manager's focus on high-yielding companies with strong fundamentals.

"It is pleasing to report a strong year of returns for shareholders. The share price total return was 12.0% and the net asset value ("NAV") total return was 10.8%."

Ongoing Charges

As set out in detail in the 2023 Annual Report, with effect from 1 January 2024, the Company has benefited from a negotiated reduction in the management fee, with the annual fee now calculated on the lower of market capitalisation and net assets, at 0.75% up to £300 million and 0.60% over £300 million. It is pleasing to note that this has contributed to a reduction in the ongoing charges ratio, which was 0.85% for the year compared to 1.0% in 2023, a reduction of 15%.

Enhanced Dividend Policy and Introduction of Continuation Vote

The Board has consistently prioritised delivering meaningful dividends to shareholders alongside capital growth in the Asian region, and we recognise investors' continued appetite for yield in the current interest rate environment. Accordingly, since the year end we have announced that the Company's dividend will in the future be set at 1.5625% per quarter of the NAV, equating to approximately 6.25% of NAV per annum. The dividend will be calculated using the Company's NAV on the last business day of the preceding financial quarter (i.e. the end of March, June, September and December).

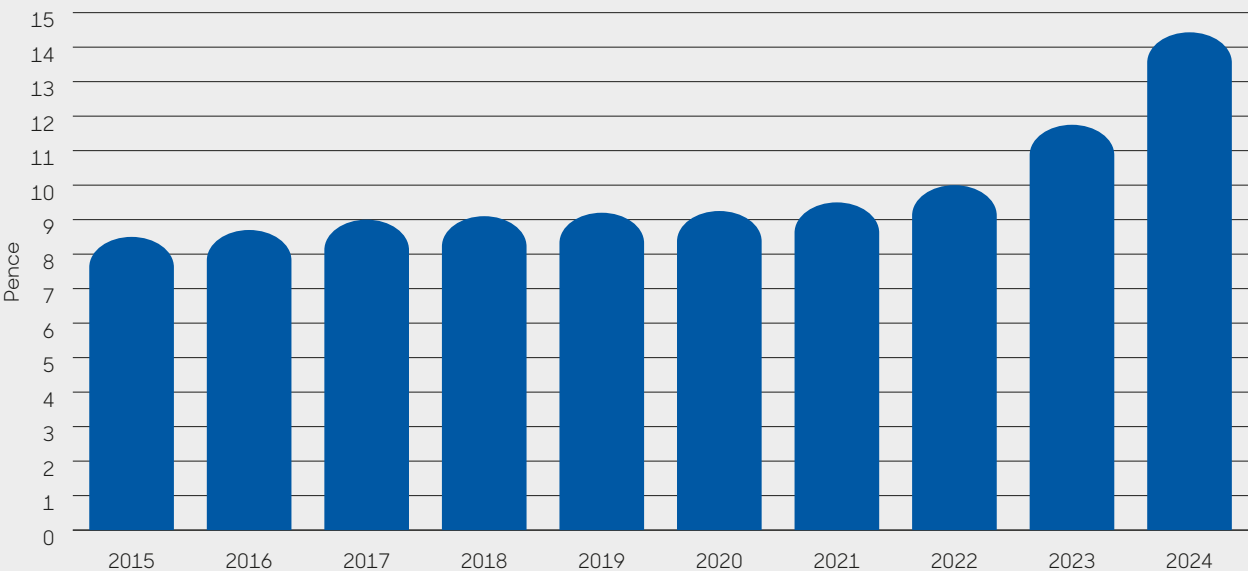
Based on the Company's NAV as at 31 December 2024 and closing year end share price, this enhanced dividend policy would equate to a notional annual dividend yield of 7.1% based on share price. This approach ensures a consistent and attractive income stream for shareholders while broadening the appeal of the Company's shares and, over time, aiming to narrow the discount.

The first dividend payment to be made under the enhanced policy will be in May 2025, for the quarter ended 31 March 2025.

We believe that this measure will enhance shareholder returns and make the Company's shares more attractive to a wider range of investors. Importantly, there will be no change to the investment process nor to the Company's strategy as a result of the new policy. The Investment Manager will continue to seek quality, cash-generative businesses with strong management teams, at sensible valuations, that have the potential to deliver reliable income and capital growth for our investors.

The enhanced dividend policy reflects the Board's confidence in the long term robust opportunities in Asian markets, where dividend yields and growth have outpaced those of Europe

10 years of annual dividend growth



and the US. With over 50% of total returns in Asian equities now driven by dividends, and with companies in the region demonstrating stronger balance sheets and increasing free cash flow coverage for dividends, the potential for rising payout ratios is compelling.

The new policy means that dividends paid will reflect the Company's net assets at each quarter end. Dividends will therefore be subject to market and performance fluctuations and will vary from quarter to quarter, in line with underlying earnings, currency movements and changes in the portfolio value. As is currently the case, in years when the net revenues fall below the level required for a fully covered dividend, dividends will be funded from a combination of revenue and capital reserves thus using one of the key benefits of the investment company structure.

Alongside the enhanced dividend policy, to further align with shareholder interests, the Board also announced the introduction of a continuation vote so that shareholders can decide whether they wish the Company to continue in its current form at regular intervals. A continuation vote will first be tabled at the Company's Annual General Meeting in 2028, and every three years thereafter. Shareholders will be asked by simple majority vote if they wish the Company to continue in its current form. In the event that the vote should fail, further proposals will be brought to shareholders regarding the future of the Company.

The Board believes that these actions, alongside the strong investment performance of the Company and reduced charges associated with the recent switch to a market cap-based management fee, should create a positive outlook for shareholder returns.

Share Capital Management

The Company bought back £36 million worth of shares during the year to be held in treasury, representing 10.1% of the shares in issue at the start of the period, at an average discount of 12.4% and providing an estimated enhancement of 1.2% to the NAV per share. Subsequent to the year end the Company has bought back a further £8.7 million worth of shares.

The Company will continue to selectively buy back shares in the market, in normal market conditions and at the discretion of the Board.



14.43p

Dividend per share

Gearing

At the year end, the Company had a £50 million revolving credit facility, £32.4 million of which was drawn down, resulting in gearing (net of cash) of 7.2% (2023: 7.5%).

The loan facility matured in February and has been replaced with a new one year facility with the existing lender, Bank of Nova Scotia, London Branch. Under the terms of the facility, the Company has the option to increase the level of the commitment from £50 million to £70 million at any time, subject to the Lender's credit approval.

Annual General Meeting ("AGM")

The AGM will be held at 10:30am on 8 May 2025 at the offices of the Aberdeen Group, 18 Bishops Square, London E1 6EG. There will be a short presentation from the Investment Manager followed by tea and coffee. We very much look forward to meeting and engaging with as many shareholders as possible.

We encourage all shareholders to complete and return the Proxy Form enclosed with the Annual Report so as to ensure that your votes are represented at the meeting. If you hold your shares in the Company via a share plan or a platform and would like to attend and/or vote at the AGM, then please make arrangements with the administrator of your share plan or platform.

Investment Management Team

We are pleased to announce that Isaac Thong is to be appointed lead manager of the Company working alongside Eric Chan. Isaac will be joining Aberdeen's Asia Pacific Equities team as Senior Investment Director, based in Singapore, and will be responsible for the day-to-day portfolio management of the Company. He will also lead the Asian Income portfolio construction group within Aberdeen which includes responsibility for the Company's portfolio.

"Total dividends of 14.43p per share, representing a 22.8% increase from last year and providing a yield of 6.6% based on the year end share price."

"Ongoing charges for the year were 0.85%, compared to 1.0% in 2023, a reduction of 15%."

Isaac replaces Yoojeong Oh who is leaving Aberdeen to pursue other interests. The Board is extremely grateful to Yoojeong for her careful stewardship of the Company over the last decade and as we look forward to celebrating our 20th anniversary later this year.

With over 15 years' experience in the financial services industry and over a decade of experience investing in Asia equities, Isaac brings with him a wealth of knowledge and expertise that will enable the investment team to continue finding companies that will deliver sustainable growth, consistent income and attractive returns for our shareholders.

Board Composition

During the year, the Board was pleased to announce the appointment of Jane Routledge as an independent non-executive Director of the Company, with effect from 8 May 2024. Jane has significant marketing experience with a long career in the investment management sector, and has already provided significant benefit to the Board.

As previously announced, Krystyna Nowak, who was appointed as a Director in May 2015, will retire at the AGM on 8 May 2025. On behalf of the Board I would like to thank Krystyna for her significant contribution to the Company over this period. We will miss her wise counsel.

My own appointment to the Board was on 11 May 2016. Given the recent introduction of the enhanced dividend policy and the changes to the management team, the other Directors have agreed that I will continue as Chairman until the AGM in 2026. This will help oversee the implementation of these changes which are important developments for the Company and it is the view of all the Directors that it is in shareholders' interests for continuity in the Board at this time. It is the Board's intention that Jane Routledge will succeed me as Chair upon my retirement.

It is the current intention of the Board to appoint a new independent non-executive Director later this year.

Change of Name of the Company

In order to align the Company's name with the name of the Investment Manager's business, which has recently changed from abrdn plc to Aberdeen Group plc, the Board is proposing, with effect from 1 June 2025, to change the Company's name to *Aberdeen Asian Income Fund Limited*. A resolution to this effect will be proposed at the AGM.

Outlook

Trade tariffs imposed by the new US Administration create an uncertain outlook for Asia in 2025. Furthermore, US deregulation and tax cuts could strengthen the US Dollar, which is unfavourable for Asia. On the other hand, attractive valuations in Asia offer the potential for upside surprises underpinned by structural tailwinds. As a region, Asia offers exciting investment opportunities in innovation, globalisation and new consumption, and it is also home to some of the highest-quality and most dynamic companies globally.

Our Investment Manager is confident of leveraging on the immense potential of Asia by investing in high-quality companies with strong balance sheets and consistent earnings growth that are committed to delivering shareholder returns through dividends and buybacks. The Board believes that a strategic focus on quality is key to delivering sustainable growth and attractive returns for our shareholders and, taken together with the new enhanced dividend policy, we are excited about the future prospects for your company.

Ian Cadby

Chairman
25 March 2025

Investment Manager's Review

01

How did abrdn Asian Income Fund perform in 2024?

We are pleased to report strong returns for the year, with a share price total return of 12.0% and a net asset value ("NAV") total return of 10.8%. These returns compare with a total return of 12.6% from the MSCI AC Asia Pacific ex Japan Index (the "Index"). We are also pleased to report a 22.8% increase in the total dividend for 2024. This marks the sixteenth consecutive year of annual dividend increases. The dividend yield at the year end was 6.6%, around double that of the Index.

The Company continues to have a good longer-term performance record, outperforming the Index over three and five years.

Throughout 2024, geopolitical events, including tariff risk from Donald Trump's return as US President, and US interest rate changes, induced volatility, but our focus on quality stocks in Asia provided stability and we took advantage of growth opportunities during better market phases.

The US Federal Reserve reduced interest rates three times during the year. Some Asian central banks followed suit, creating an environment conducive to investing in high-yielding equities. Singapore, which is one of the largest markets in the portfolio, was among the best performers, driven by solid earnings from local banks.

Asia was among the beneficiaries of buoyed investor optimism around artificial intelligence and related applications given that the region lies at the heart of various technology supply chains. The Taiwanese market, which has a heavy technology tilt and is the largest country weighting in the portfolio, was the top performer in the region.

China and India both posted gains that beat the regional index. China's performance was thanks to monetary and fiscal stimulus measures which signalled a clear shift towards growth and resulted in a late-year rally. The key event in India was Prime Minister Narendra Modi's election victory earlier in the year, but the market lost some momentum towards the year end due to concerns over slowing domestic growth and as China's stimulus measures led to a rotation out of India.

Elsewhere in the region, there was political turmoil in South Korea with the short-lived imposition of martial law which led to significant market underperformance, making it the worst performing country in the region over the year.

6.6%

Dividend yield

12.0%

Share price
total return

10.8%

NAV total return

12.6%

Index total return

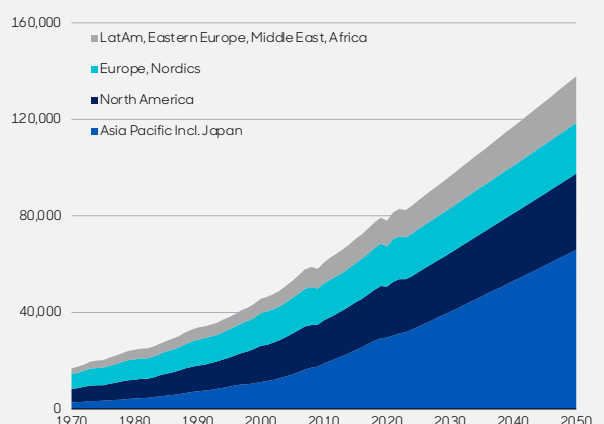
Why Asia?

Huge consumption potential

Asia moving UP!

- 1 We believe Asia is poised to drive global economic growth and is set to account for more than half of the world's GDP growth.
- 2 We believe there are major demographic dividends in Asia yet to be fully realised, led by giants like China and India, while dynamic South East Asian economies such as Indonesia and Thailand are also growing rapidly.
- 3 Focus on dividends is increasing across corporate Asia, where 50% of the APXJ region are now yielding more than 2.5%.
- 4 We believe the risk of dividend cuts is low in Asia due to robust earnings and strong balance sheets, which provide good support for growing dividends.

Global GDP is also increasingly driven by Asia GDP (\$bn, 2015 constant prices)



Source: Haver, abrdn global macro research, June 2023, Jefferies, March 2024

Investment Manager's Review continued

02

What's going on in China?

China continues to demand investor focus during a prolonged period of volatility and uncertainty. 2024 was a case of "a weak economy but strong markets" for the country. Weak demand, a prolonged property downturn, and softer investor sentiment meant that consumption has been slow to recover. However, in September, China introduced several stimulus measures, sparking a turnaround in sentiment and a market rally.

Looking ahead to 2025, the government is expected to continue its supportive policies. More fiscal stimulus is anticipated during the upcoming Two Sessions meeting in March, where the country's leaders will gather to shape domestic, economic and social goals for the year ahead, including measures to respond to future tariffs on Chinese imports to the US. If there is no major stimulus, we expect a gradual earnings recovery as mainland companies benefit from the existing loose monetary and fiscal policies.

As for our positioning in China, the portfolio has long held a smaller weighting to China versus the Index. This is because the market does not yet prioritise dividends and shareholder return, as much as higher yielding markets in Asia, such as Australia and Singapore. Nonetheless, we regard China as a key part of our strategy, with investments in companies that offer growth potential and strong cash flow generation, and we maintain an active pipeline of good quality stocks with good cash flows so that we can act when dividend policies are put in place.

A good example is e-commerce group **Tencent**, which we first bought in 2022 after it formalised its dividend policy, linking payouts to free cash flow generation. This move made Tencent an attractive investment, enhancing the portfolio's overall yield and growth strategy. Another example is **Midea Group**, a leading home appliance company with strong free cash flow generation and a long-running dividend policy. These investments highlight our approach to finding quality businesses in China that can provide both growth and income.

03

How will Trump 2.0 and US rates affect the Company?

The Trump presidency is likely to impact the US interest rate outlook as, whilst current rate expectations are low, the speed and extent of any changes remain uncertain. This uncertainty can influence US inflation, and the likelihood of interest rate increases or cuts throughout the year. Despite this volatility, the Company has historically performed well in such environments, delivering good returns even in the face of fluctuating interest rates, given our investment process focuses on quality businesses that can perform well across business cycles.

President Trump's rapid pace of executive actions, especially on trade, has led to an updating of our house views. We now see the US weighted average tariff rate going higher, to 9.1%. We assume a reciprocal tariff to be implemented, albeit with various carve-outs; higher blanket tariffs on China; and more sector-specific tariffs, including on the EU, Canada and Mexico. Specifically, our base case 'Trump 2.0' scenario now includes a global reciprocal tariff, likely to be introduced when the current trade review is concluded in April. US-China tariffs will move meaningfully higher. The additional 20% tariff already applied is likely to be permanent, because China may struggle to deliver initiatives to assuage the administration's fentanyl concerns. We are incorporating another 10% increase in tariffs on China, owing to a mix of reasons: fentanyl-related concerns; the bilateral deficit; and broader economic decoupling.

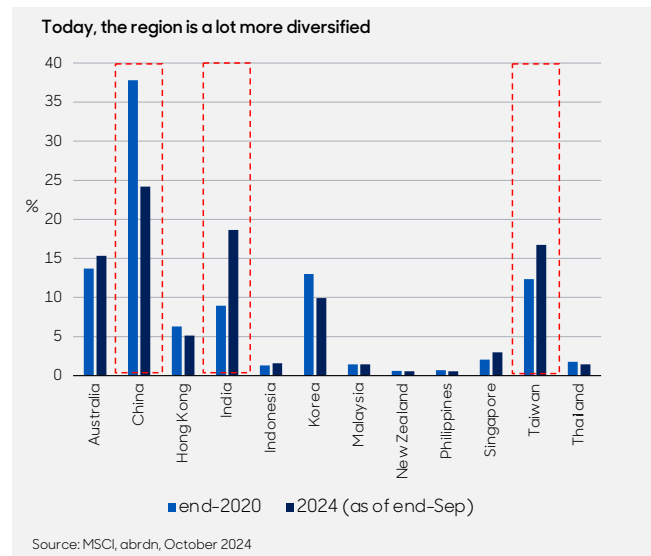
Given the above, we would note that the Company is invested in companies that generally are market leaders that should be able to share the cost increase with the supply chain and consumers. Some of them might even be relative winners as they will be well placed with a more globally flexible supply chain and more efficient operations.

In the portfolio, for instance, we hold **SITC**, a Hong Kong-listed intra-Asia focused shipping company. The trade war uncertainty has worked in its favour in recent years, and it has paid bumper dividends. The company has been very disciplined about returning excess cash to shareholders as special dividends when the freight cycle works in its favour.



How Asia performed during President Trump's first term

History suggests some volatility ahead but strong potential for rebound from current levels



04

How are we investing in the future of AI?

The Company is actively investing in the future of Artificial Intelligence ("AI") by identifying companies that are well-positioned to benefit from advancements in this field. We see real winners in the Asian technology hardware and semiconductor supply chain companies.

The largest holding in the portfolio is **Taiwan Semiconductor Manufacturing Company ("TSMC")**, a global leader in producing semiconductors that are key building blocks to drive and support AI use across end uses. Through its sizeable production moat built up over several decades, TSMC has a market leading share globally with strategic customer relationships. The strong end-market demand and the barriers to entry from the sizeable capital requirements to replicate its production ecosystem has enabled TSMC to generate strong free cash flows that support a growing dividend per share to shareholders. The dividend yield is low at below 2%, but this is driven by the share price, which has increased threefold in the past five years. Shareholders in TSMC have enjoyed good capital and dividend growth.

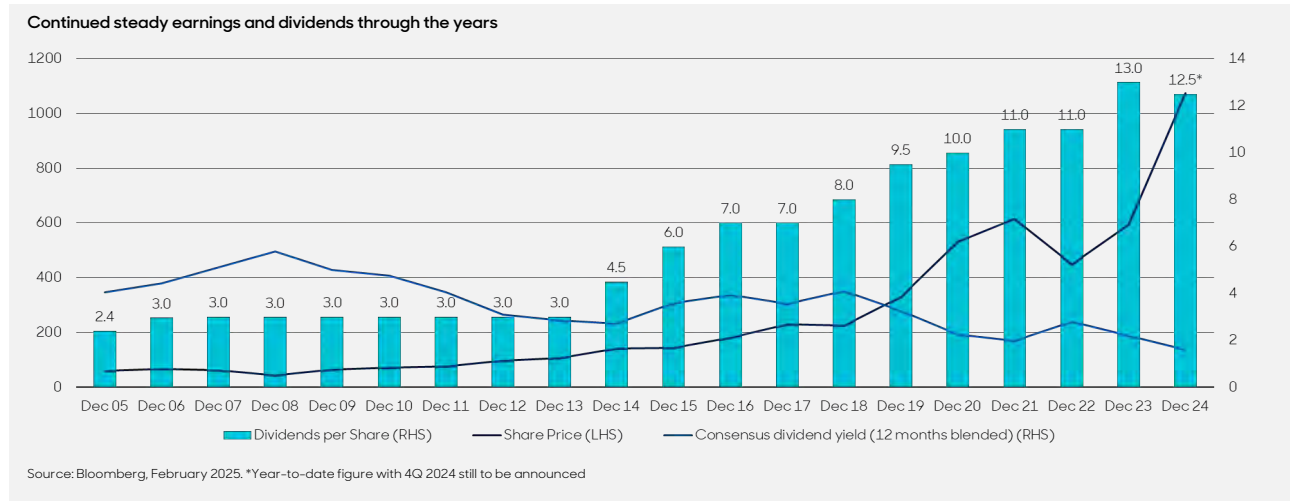
At the other end of the market capitalisation spectrum, the portfolio also holds **Sunonwealth Electric Machine**, a Taiwanese company that makes cooling fans for data centres. It supplies to customers in industries such as IT, automotive electronics and network communication. Sunonwealth is recognised as a niche player and a preferred partner for customised cooling solutions, which strengthens its market position. Moreover, it has developed the first-ever MagLev motor fan, the world's smallest and thinnest magnetic levitation motor fan, showcasing its innovative capabilities. As AI technology becomes more complex, the need for advanced cooling solutions grows, making Sunonwealth an essential part of the AI supply chain. Additionally, Sunonwealth's strong balance sheet and cash flows support a healthy dividend payout and attractive yield.

These investments demonstrate our strategy of finding quality businesses of all sizes that are exposed to growth opportunities in AI, while also contributing to the Company's income objectives.

TSMC



World’s largest pure-play semiconductor player with good cash flow generation



05

Where are we finding dividends?

We are finding dividends in various markets across Asia, across a wide variety of countries and sectors that offer attractive yields. Taiwan, Singapore, and Australia are the top three yielding countries within the region and are heavily represented in the portfolio. We have also been able to invest at attractive levels during market downturns, that offer income and growth.

In Singapore, we hold **DBS**, a bank with operations across Southeast Asia that supports earnings growth and offers close to a 5% dividend yield. The bank’s commitment to paying dividends highlights its robust financial health and ability to generate consistent cash flow. This focus on dividends is particularly appealing to income-focused investors seeking stable returns. The country’s strong regulatory environment fosters investor confidence and supports the bank’s growth and income potential. Overall, DBS’s strategic expansion, strong financial health, and commitment to dividends make it a compelling investment choice in the Asia region. Meanwhile, we are also invested in **CapitalLand India Trust**, which is listed in

Singapore but derives all its revenue from rental income in India. This provides access to the high-growth Indian market while offering a 6% dividend yield.

Elsewhere in China, we have invested in **PICC Property & Casualty**, a leading property and casualty insurer in the country. One of three mainland non-life insurance groups which dominate the market, we see PICC strengthening its competitive edge through economies of scale, superior risk pricing ability and solid capital position over the long term. The stock is relatively defensive in a weak market environment, providing stability for investors. Management has also indicated a focus on providing stable dividend payments, making it an attractive option for income-focused investors. Overall, PICC’s strong market position, defensive nature, and commitment to dividends make it a valuable investment in the Chinese insurance sector.

We look for companies that are simple to understand, operate in growing industries, and have trustworthy management with strong balance sheets. This means that we conduct thorough due diligence and prioritise high-quality, dividend-paying stocks.

In Asia, on the ground presence gives us a key competitive edge. Our team of over 40 in-house analysts and fund managers across the region conducts in-depth research and meets companies regularly. This local presence and extensive network provide valuable insights and help identify quality companies that may not be widely covered, especially small and mid-cap companies.

When evaluating companies, we invest in those which meet three key criteria at an attractive price and support the consistent delivery of dividend. We choose companies that have a strong business model with a sustainable competitive advantage in an industry that is growing.

They would also have financial strength with good margins, return on capital and a robust balance sheet; management with pedigree and a strong track record of execution; and Environmental, Social and Governance ("ESG") factors. We view all these as key to sustainable dividends with reliable earnings.

Regarding ESG, we believe that a comprehensive assessment of ESG factors, combined with constructive engagement with companies, leads to better outcomes for our clients. ESG factors are financially material, and impact corporate performance.

Understanding ESG risks and opportunities alongside other financial metrics allows us to make better investment decisions. Engaging with companies helps foster better practices, protecting and enhancing the value of our clients' investments.

Stock identification

Identifying companies that tick all three boxes at attractive valuations and supports continued delivery of the dividend



We are cautiously optimistic about the outlook for Asia. While macroeconomic and geopolitical uncertainties persist, the region's prospects are underpinned by solid economic fundamentals and structural growth trends. Asia's GDP growth is forecast to remain above 5% on average, making it the largest contributor to global GDP for many more years to come. Asia also boasts a demographic dividend. Many countries are seeing increases in their working-age populations, leading to higher productivity and economic growth. This ensures sustained demand for products and services from quality companies.

The focus on dividends in the region is also growing. Policy is another tailwind. Governments across the region are increasingly focusing on shareholder returns and implementing policies that support dividend growth, such as the Value Up programme in South Korea. This is coupled with a strong emphasis on improving corporate governance, which ensures that companies are managed more effectively and transparently.

All the above factors contribute to a more stable and attractive investment environment, making dividend stocks a compelling choice for investors seeking reliable income and long-term growth opportunities.

Importantly, as income investors in Asia, we don't have to sacrifice growth. High-quality growth companies such as **TSMC**, **Tencent**, and **Power Grid** are all paying growing dividends to their shareholders, with the portfolio's highest sector weighting in technology. As mentioned earlier, we are also finding dividend opportunities in growing sectors such as green energy (**Power Grid**), AI (**Sunonwealth** and **Accton Technology**) and consumer products, including retail banking (**DBS**).

Finally, we believe that our strategy of investing in high-quality, dividend-paying companies is likely to continue generating positive results, even in a volatile market environment. The portfolio is positioned well to capitalise on the income and growth opportunities in Asia, with its diversified portfolio and long-term investment approach providing resilience against market volatility and helping capture growth during strong market phases.

abrdn Asia Limited
25 March 2025

Overview of Strategy



Launched in December 2005, abrdn Asian Income Fund Limited (the "Company") is registered with limited liability in Jersey as a closed-end investment company under the Companies (Jersey) Law 1991 with registered number 91671. The Company's Ordinary shares are listed on the Main Market of the London Stock Exchange.

Tax Residency

With effect from 1 January 2022 the Company migrated its tax residency to the UK from Jersey and elected to join the UK's investment trust regime.

Investment Objective

To provide investors with a total return primarily through investing in Asia Pacific securities, including those with an above average yield. Within its overall investment objective, the Company aims to grow its dividends over time.

Business Model

The Company aims to attract long-term private and institutional investors wanting to benefit from the income and growth potential of Asia's most compelling companies.

The business of the Company is that of an investment company and the Directors do not envisage any change in this activity in the foreseeable future.

Investment Policy

Asset Allocation

The Company invests primarily in the Asia Pacific region through investment in:

- companies listed on stock exchanges in the Asia Pacific region;
- Asia Pacific securities, such as global depositary receipts (GDRs), listed on other international stock exchanges;
- companies listed on other international exchanges that derive significant revenues or profits from the Asia Pacific region; and
- debt issued by governments or companies in the Asia Pacific region or denominated in Asia Pacific currencies.

The Company's investment policy is flexible, enabling it to invest in all types of securities, including equity shares, preference shares, debt, convertible securities, warrants and other equity-related securities. The Company is free to invest in any market segments or any countries in the Asia Pacific region. The Company may use derivatives to enhance income generation.

The Company invests in small, mid and large capitalisation companies. The Company's policy is not to acquire securities that are unquoted or unlisted at the time of investment (with the exception of securities which are about to be listed or traded on a stock exchange). However, the Company may continue to hold securities that cease to be quoted or listed if

the Investment Manager considers this to be appropriate. The Company may also enter into stock lending contracts for the purpose of enhancing income returns.

Typically, the portfolio will comprise of between 40 and 70 holdings (but without restricting the Company from holding a more or less concentrated portfolio in the future).

Risk Diversification

The Company will not invest more than 10%, in aggregate, of the value of its total assets in investment trusts or investment companies admitted to the Official List, provided that this restriction does not apply to investments in any such investment trusts or investment companies which themselves have stated investment policies to invest no more than 15% of their total assets in other investment trusts or investment companies admitted to the Official List. In any event, the Company will not invest more than 15% of its total assets in other investment trusts or investment companies admitted to the Official List.

In addition, the Company will not:

- invest, either directly or indirectly, or lend more than 20% of its total assets to any single underlying issuer (including the underlying issuer's subsidiaries or affiliates), provided that this restriction does not apply to cash deposits awaiting investment;
- invest more than 20% of its total assets in other collective investment undertakings (open-ended or closed-ended);
- expose more than 20% of its total assets to the creditworthiness or solvency of any one counterparty (including the counterparty's subsidiaries or affiliates);
- invest in physical commodities;
- take legal or management control of any of its investee companies; or
- conduct any significant trading activity.

The Company may invest in derivatives, financial instruments, money market instruments and currencies for investment purposes (including the writing of put and call options for non-speculative purposes to enhance investment returns) as well as for the purpose 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). For the avoidance of doubt, in line with the risk parameters outlined above, any investment in derivative securities will be covered.

The Investment Manager expects the Company's assets will normally be fully invested. However, during periods in which changes in economic conditions or other factors so warrant, the Company may reduce its exposure to securities and increase its position in cash and money market instruments.

Overview of Strategy continued

Gearing Policy

The Board is responsible for determining the gearing strategy for the Company. The Board has restricted the maximum level of gearing to 25% of net assets although, in normal market conditions, the Company is unlikely to take out gearing in excess of 15% of net assets. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where this is considered appropriate. Borrowings are generally shorter-term, but the Board may from time to time take out longer-term borrowings where it is believed to be in the Company's best interests to do so. Particular care is taken to ensure that any bank covenants permit maximum flexibility of investment policy.

The percentage investment and gearing limits set out under this sub-heading "Investment Policy" are only applied at the time that the relevant investment is made or borrowing is incurred.

In the event of any breach of the Company's investment policy, shareholders will be informed of the actions to be taken by the Investment Manager by an announcement issued through a Regulatory Information Service or a notice sent to shareholders at their registered addresses.

The Company may only make material changes to its investment policy (including the level of gearing set by the Board) with the approval of shareholders (in the form of an ordinary resolution). In addition, any changes to the Company's investment objective or policy will require the prior approval of the Financial Conduct Authority as well as prior consent of the Jersey Financial Services Commission ("JFSC") to the extent that the changes materially affect the import of the information previously supplied in connection with its approval under Jersey Funds Law or are contrary to the terms of the Jersey Collective Investment Funds laws.

Duration and Continuation Vote

The Company does not have a fixed life. However, as explained in the Chairman's Statement, since the year end the Board has introduced a continuation vote so that shareholders can decide whether they wish the Company to continue in its current form at regular intervals. A continuation vote will first be tabled at the Company's Annual General Meeting in 2028, and every three years thereafter. Shareholders will be asked by simple majority vote if they wish the Company to continue in its current form. In the event that the vote should fail, further proposals will be brought to shareholders regarding the future of the Company.

Comparative Indices

The Company's portfolio is constructed without reference to any stock market index. It is likely, therefore, that there will be periods when the Company's performance will be quite unlike that of any index and there can be no assurance that such divergence will be wholly or even primarily to the Company's advantage. The Company compares its performance against the currency-adjusted MSCI AC Asia Pacific ex Japan Index.

Promoting the Success of the Company

In accordance with corporate governance best practice, 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 following the guidelines set out in the UK under section 172 (1) of the Companies Act 2006 (the "s172 Statement") which the Company has adopted on a voluntary basis. This Statement, from "Promoting the Success of the Company" to "Board Composition" on page 20 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, among 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 is to act as a vehicle to provide, over time, financial returns (both income and capital) to its shareholders. The Company's investment objective is disclosed on page 17. The activities of the Company are overseen by the Board of Directors of the Company. The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. At its regular meetings, the Board reviews the culture and manner in which the Investment Manager operates and receives regular reporting and feedback from the other key service providers.

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



Shareholder Engagement

The following table describes some of the ways the Board engages with the Company's shareholders:

| | |
|---------------------------------------|--|
| Annual General Meeting ("AGM") | The AGM provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. The next AGM will take place at 10:30 a.m. on 8 May 2025 in London. Shareholders who are unable to attend are encouraged to lodge their votes by proxy on all the resolutions put forward. |
| Annual Report | The Company publishes a full annual report each year that contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format. |
| Company Announcements | The Company issues announcements for all substantive news relating to it. These can be found on the Company's website and the London Stock Exchange's website. |
| Results Announcements | The Company releases a full set of financial results at the half year and full year stage. Updated net asset value figures are announced on a daily basis. |
| Monthly Factsheets | The Investment Manager publishes monthly factsheets on the Company's website including commentary on the portfolio and market performance. |
| Website | The Company's website contains a range of information and includes a full monthly portfolio listing of the Company's investments as well as podcasts by the Investment Manager. Details of financial results, the investment process and Investment Manager together with Company announcements and contact details can be found here: asian-income.co.uk . |
| Investor Relations | The Company subscribes to the Investment Manager's Promotional and Investor Relations programme (further details are on page 24). |

The Investment Manager

The key service provider for the Company is the Investment Manager, abrdn Asia Limited. The performance of abrdn Asia Limited is reviewed in detail at each Board meeting. The Investment Process is outlined on pages 92 to 94 and further information about the Investment Manager is given on page 91.

Key Stakeholders – Shareholders

Shareholders are key stakeholders in the Company – they are looking to the Investment Manager to achieve the investment objective over time and to deliver a regular growing income together with some capital growth. The Board is available to meet with shareholders at the AGM. This is seen as a very useful opportunity to understand the needs and views of the shareholders. In between AGMs, the Directors and Investment Manager also conduct programmes of investor meetings with larger institutional, private wealth and other shareholders to ensure that the Company is meeting their needs. Such regular meetings may take the form of joint presentations with the Investment Manager or meetings directly with a Director where any matters of concern may be raised directly.

Other Stakeholders – Service Providers

The other key stakeholder group is that of the Company's third party service providers. The Board is responsible for selecting the most appropriate outsourced service providers and monitoring the relationships with these suppliers regularly in order to ensure a constructive working relationship. The service providers look to the Company to provide them with a clear understanding of its needs in order that those requirements can be delivered efficiently and fairly. The Board, via the Management Engagement Committee, ensures that

the arrangements with service providers are reviewed in detail at least annually. The aim is to ensure that contractual arrangements remain competitively priced in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Investment Manager and other relevant stakeholders. Reviews include those of the Company's Custodian, Company Secretary, Registrar, Broker and Auditor.

Principal Decisions

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

Portfolio/Investment Performance

The Investment Manager's Review on pages 11 to 16 details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to monitor the investment portfolio throughout the year under the supervision of the Board.

Overview of Strategy continued

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

As disclosed on page 43, during the year, the Board confirmed that the continuing appointment of the Investment Manager, on the terms agreed, is in the interests of the shareholders as a whole.

Gearing

The Company utilises gearing in the form of bank debt with the aim of enhancing shareholder returns over the longer term. Since the year end, the Board has renewed the £50 million revolving credit facility that existed during the year. The loan, with the Bank of Nova Scotia, London Branch, has been renewed for one year, to February 2026. Under the terms of the revolving credit facility, the Company has the option to increase the level of the commitment from £50 million to £70 million at any time, subject to the Lender's credit approval. The Board reviews the level of gearing at each Board meeting.

Share Buybacks

During the year, the Company continued to buy back Ordinary shares opportunistically in order to provide liquidity to the market and to provide an enhancement to the Company's net asset value and benefit all shareholders. 16.9 million Ordinary shares were bought back during the year to be held in treasury, representing 10.1% of the shares in issue at the start of the year. The average discount to NAV of the shares bought back was 12.4% and the buybacks provided an estimated enhancement of 1.2% to the NAV per share.

Corporate Broker

Following a review of its corporate broking arrangements during the year, the Board announced the appointment of Peel Hunt LLP to act as the Company's sole corporate broker. The Board considers that it is in shareholders' interests for the Company to have a pro-active Broker to manage any imbalance of supply and demand in the Company's shares and to work closely with the Investment Manager in respect of marketing activities and arranging meetings with the Company's larger shareholders.

PR Agent

Recognising the importance of communicating with shareholders and potential shareholders as a means to improving demand for the Company's shares, during the year the Board appointed an external PR agent to work alongside the Investment Manager in seeking to raise the profile of the Company. The Board considers that it is in shareholders' interests for the Company to engage external parties to help promote the Company to investors with the aim of this helping to narrow the discount at which the Company's shares trade.

Board Composition

During the year, and in accordance with its succession plans, the Board was pleased to announce the appointment of Jane Routledge as an independent non-executive Director of the Company, with effect from 8 May 2024. Ms Routledge has significant marketing experience which has already brought benefit to the Board's deliberations. Ms Routledge's biographical details are included on page 39 and she will stand for election at the forthcoming AGM.



Key Performance Indicators ("KPIs")

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

| KPI | Description |
|---|--|
| Dividend Payments per Ordinary share | The Board aims to grow the Company's dividends over time. Dividends paid over the past 10 years are set out on page 26. |
| Performance | <p>Absolute Performance: The Board monitors the Company's NAV total return performance in absolute terms.</p> <p>Relative Performance: The Board also measures performance against the MSCI AC Asia Pacific ex Japan Index (currency adjusted) and performance relative to other investment companies within the Company's peer group over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies.</p> <p>Share Price Performance: The Board also monitors the price at which the Company's shares trade relative to the MSCI AC Asia Pacific ex Japan Index (currency adjusted) on a total return basis over time.</p> <p>The Board measures performance over a time horizon of at least five years. The absolute and relative performance is shown on page 27 and further commentary on the performance of the Company is contained in the Chairman's Statement and Investment Manager's Review.</p> |
| Discount/Premium to NAV | The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The Directors aim to operate an active share buyback policy should the price at which the Ordinary shares trade relative to the NAV per share (including income) be at a discount of more than 5% in normal market conditions. A graph showing the share price discount/premium relative to the NAV is shown on page 28. |
| Ongoing Charges Ratio | The Board monitors the Company's operating costs carefully. Ongoing charges for the year and previous year are disclosed on page 2. |
| Gearing | The Board ensures that gearing is kept within the Board's guidelines to the Investment Manager. |

Risk Management

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has undertaken a robust review of the principal and emerging risks and uncertainties facing the Company including those that would threaten its business model, future performance, solvency or liquidity. Those principal risks are disclosed in the table below together with a description of the mitigating actions taken by the Board. The principal risks associated with an investment in the Company's shares are published monthly on the Company's factsheet or they can be found in the Pre-Investment Disclosure Document published by the Investment Manager, both of which are available on the Company's website.

The Board reviews the risks and uncertainties faced by the Company in the form of a risk matrix and heat map at its Audit Committee meetings. The Board also has a process to consider emerging risks and if any of these are deemed to be significant they are categorised, rated and added to the risk matrix for closer monitoring.

The Board considers that 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. These include the impacts of the conflicts in Ukraine and the Middle East, as well as continuing tensions between the US and China. The Board is also conscious of the impact of higher-than-forecast inflation in the UK and its potential impact on interest rate expectations, and also the potential impact on economic growth globally of recently announced US trade tariffs.

Overview of Strategy continued

| Risk Management | Mitigating Action |
|---|--|
| <p>Investment strategy & objectives – the setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand could lead to the Company becoming unattractive to investors, a decreased demand for its shares and a widening discount.</p> | <p>The Board keeps the investment objective and policy as well as the level of discount and/or premium at which the Company's shares trade under review. In particular, there are periodic strategy discussions where the Board reviews the Investment Manager's investment processes, analyses the work of the Investment Manager's Promotional and Investor Relations teams and receives reports on the market from the Broker. In addition, the Directors are updated at each Board meeting on the make-up of and any movements in the shareholder register.</p> <p>As set out in more detail in the Chairman's Statement on pages 8 and 9, since the year end the Board has introduced an enhanced dividend policy which will apply from the start of the 2025 financial year.</p> |
| <p>Investment portfolio & investment management – the appointment or continuing appointment of an investment manager with inadequate resources, skills or experience or which makes poor investment decisions could result in poor investment performance, a loss of value for shareholders and a widening discount.</p> | <p>The Board sets the investment restrictions and guidelines in which the Investment Manager may operate, and reviews the Investment Manager's adherence with these, as well as detailed performance reports, at each Board meeting. The Investment Manager is represented at all Board meetings.</p> <p>The Management Engagement Committee formally reviews the performance and contractual arrangements with the Investment Manager on an annual basis.</p> <p>The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are mitigated in conjunction with the Investment Manager. Further details are contained in note 18 to the financial statements.</p> |
| <p>Marketing & Shareholder Communication – the setting of an inappropriate marketing strategy or a failure to address shareholder concerns could result in the Company becoming unattractive to investors and a widening of the discount.</p> | <p>In addition to marketing activities conducted by the Investment Manager, the Board has engaged a PR agent to help raise the Company's profile.</p> <p>The Board annually agrees marketing and communications programmes and budgets with the Investment Manager and PR agent, and receives updates regularly on these activities. The Directors are updated at each Board meeting on the composition of, and any movements in, the shareholder register. The Chairman responds directly to shareholder correspondence as required and copies of shareholder letters are included in Board papers.</p> |
| <p>Discount Management – failure to manage the discount effectively could lead to a fall in the share price relative to the NAV per share, a wider discount compared to the Company's peers and a loss of shareholder confidence.</p> | <p>The Board keeps the level of discount and/or premium at which the Company's shares trade under review. The Directors aim to operate an active share buyback policy should the price at which the Ordinary shares trade relative to the NAV per share (including income) be at a discount of more than 5% in normal market conditions.</p> <p>The Company bought back 16.9 million Ordinary shares during the year to be held in treasury, representing 10.1% of the shares in issue at the start of the period, at an average discount of 12.4% and providing an estimated enhancement of 1.2% to the NAV per share.</p> |



| Risk Management | Mitigating Action |
|--|---|
| <p>Regulatory – a failure to comply with relevant laws and regulations (including those in Jersey and the UK) could result in the Company being subject to fines, censures or lawsuits or the loss of investment trust status, causing a fall in investor confidence and loss of shareholder value.</p> | <p>The Board-appointed Compliance Officer, together with the Investment Manager's compliance team, perform compliance monitoring to ensure the Company's compliance with applicable laws and regulatory obligations, and from time to time the Board employs external advisers to advise on specific issues.</p> <p>The Board reviews the Compliance Officer's and Investment Manager's compliance reports at each Board meeting.</p> |
| <p>Cyber – control failures or the absence of adequate IT security systems of third party service providers (including the Investment Manager) could result in losses or damage to the Company.</p> | <p>The Board receives reports from the Investment Manager on its internal controls and risk management processes, including on matters relating to cyber security, and receives a bi-annual presentation from the Investment Manager's cyber security team.</p> <p>The Investment Manager monitors closely the IT security controls of its outsourced service providers, including those of the Custodian.</p> <p>The Management Engagement Committee formally reviews the performance and contractual arrangements with the Company's third party providers on an annual basis.</p> |
| <p>Operational – control failures and gaps in the systems and services of third party service providers (including the Investment Manager) could result in losses or damage to the Company.</p> | <p>The Board receives reports from the Investment Manager on its internal controls and risk management processes, including on matters relating to operational resilience.</p> <p>Written agreements are in place with all third party service providers. The Investment Manager monitors closely the control environments and quality of services provided by its outsourced service providers, including those of the Custodian, through service level agreements, regular meetings and key performance indicators.</p> <p>The Management Engagement Committee formally reviews the performance and contractual arrangements with the Company's third party providers on an annual basis.</p> <p>Further details of the internal controls which are in place are set out in the Directors' Report on pages 45 and 46.</p> |
| <p>Geo-Political – the impact of current and future geo-political events could result in losses to the Company.</p> | <p>The Board discusses geo-political developments with the Investment Manager at each Board meeting. The diversified nature of the portfolio and a managed level of gearing both serve to provide a degree of protection in times of market volatility.</p> |

Overview of Strategy continued

Promoting the Company

The Board recognises the importance of communicating the long-term attractions of the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by the abrdn Group on behalf of a number of investment companies under its management. The Company also supports the abrdn investor relations programme which involves regional roadshows and promotional and public relations campaigns. The purpose of these initiatives 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. The Company's financial contribution to the programmes is matched by the abrdn Group.

The Company, through the Investment Manager, has also commissioned independent paid-for research which has been undertaken by Edison Investment Research Limited and a copy of the latest research is available for download from the Company's website.

In addition, during the year the Board appointed an external PR agent to work alongside the Investment Manager in seeking to raise the profile of the Company.

Environmental, Social and Human Rights Issues

The Company has no employees as management of the assets is delegated to the Investment Manager. There are therefore no disclosures to be made in respect of employees.

Due to the nature of the Company's business, being a Company that does not offer goods and services to customers, the Board considers that it is not within the scope of the UK's Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement.

Global Greenhouse Gas Emissions

Under Listing Rule 11.4.22(R), the Company, as a closed ended investment company, is exempt from complying with the Task Force on Climate-related Financial Disclosures ("TCFD").

Socially Responsible Investment Policy

The Company supports the UK's Stewardship Code, and seeks to play its role in supporting good stewardship of the companies in which it invests. While the delivery of stewardship activities has been delegated to the Investment Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

Sustainability Disclosure Requirements ("SDR")

In November 2023, the Financial Conduct Authority ("FCA") published its sustainability disclosure requirements and investment labels regime ("SDR") to address concerns about misleading sustainability claims. SDR includes an

opt-in labelling regime for sustainable investment products, additional disclosure requirements and restrictions on the use of sustainability terms. It also establishes anti-greenwashing ("AGW") rules. Investment trusts and their managers are in scope of the SDR. Although investment trusts are not directly in scope of the AGW requirements, the rules apply indirectly to them, mostly via obligations imposed on their managers.

Although Environmental, Social and Governance ("ESG") factors are taken into consideration by the Investment Manager as part of its investment analysis, the Company itself does not have an explicit sustainability objective and so under SDR is categorised as "Non-labelled" rather than "Labelled" or "Other".

Viability Statement

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

- the principal risks detailed in the Strategic Report on pages 21 to 23;
- the ongoing relevance of the Company's investment objective in the current environment;
- the demand for the Company's shares evidenced by the historical level of premium and/or discount;
- the level of income generated by the Company;
- the liquidity of the Company's portfolio;
- the flexibility provided by the £50 million revolving credit facility that has been renewed since the year end and which matures in February 2026; and
- the announcement by the Board since the year end of the introduction of a continuation vote, which will first be tabled at the Company's Annual General Meeting in 2028, and every three years thereafter.

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

Future

Many of the non-performance related trends likely to affect the Company in the future are common across all closed-end investment companies, such as the attractiveness of investment companies as investment vehicles, the increased focus on ESG factors when making investment decisions, the impact of regulatory changes and the effects of changes to the pensions and savings market in the UK in recent years. These factors need to be viewed alongside the outlook for the Company, both generally and specifically, in relation to the portfolio. The Board's view on the general outlook for the Company can be found in the Chairman's Statement on page 10 whilst the Investment Manager's views on the outlook for the portfolio are included on page 16.

Ian Cadby

Chairman

25 March 2025

28 Esplanade

St Helier

Jersey JE2 3QA



Dividends and Ten Year Financial Record

Dividends

| | Rate | Ex-dividend date | Record date | Payment date |
|---------------------|---------------|------------------|-----------------|------------------|
| First interim 2024 | 2.55p | 25 April 2024 | 26 April 2024 | 24 May 2024 |
| Second interim 2024 | 2.55p | 25 July 2024 | 26 July 2024 | 23 August 2024 |
| Third interim 2024 | 2.55p | 24 October 2024 | 25 October 2024 | 22 November 2024 |
| Fourth interim 2024 | 6.78p | 23 January 2025 | 24 January 2025 | 21 February 2025 |
| 2024 | 14.43p | | | |
| First interim 2023 | 2.50p | 27 April 2023 | 28 April 2023 | 23 May 2023 |
| Second interim 2023 | 2.50p | 27 July 2023 | 28 July 2023 | 25 August 2023 |
| Third interim 2023 | 2.50p | 26 October 2023 | 27 October 2023 | 24 November 2023 |
| Fourth interim 2023 | 4.25p | 25 January 2024 | 26 January 2024 | 23 February 2024 |
| 2023 | 11.75p | | | |

Ten Year Financial Record

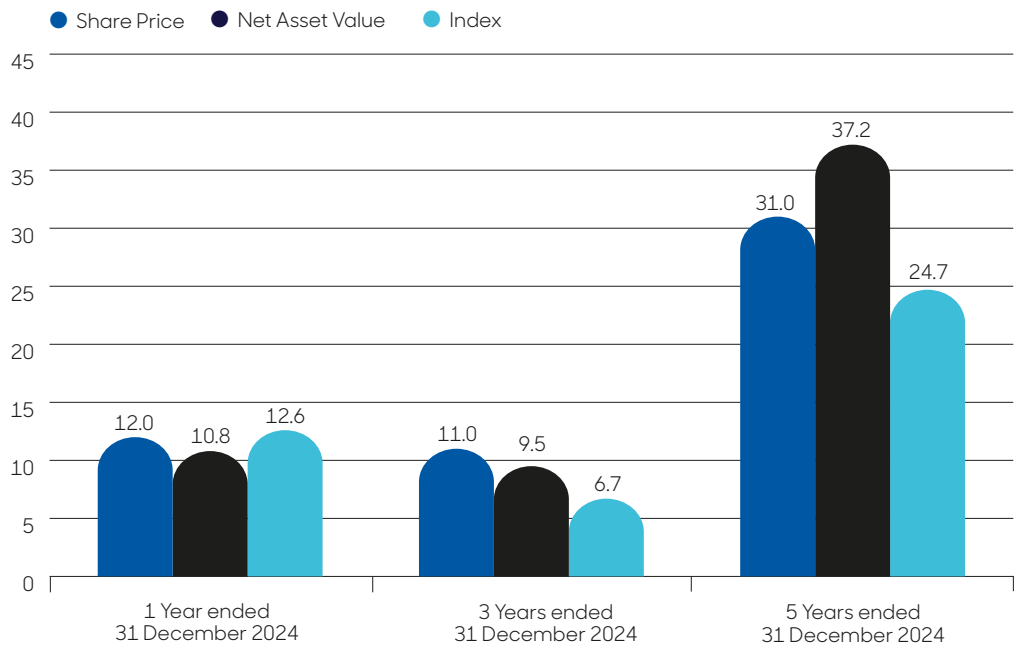
| Year to 31 December | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|--|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Total revenue (£'000) | 21,216 | 20,947 | 21,758 | 21,056 | 20,996 | 16,942 | 20,198 | 21,841 | 24,021 | 22,286 |
| Per Ordinary share (p) | | | | | | | | | | |
| Revenue return | 9.11 | 9.15 | 9.58 | 9.25 | 9.42 | 7.41 | 8.95 | 10.23 | 11.97 | 11.35 |
| Total return | (18.86) | 49.12 | 33.14 | (13.17) | 22.29 | 27.10 | 25.88 | (10.01) | 5.18 | 21.49 |
| Dividends payable | 8.50 | 8.75 | 9.00 | 9.15 | 9.25 | 9.30 | 9.50 | 10.00 | 11.75 | 14.43 |
| Net asset value per Ordinary share (p) | 170.58 | 211.82 | 235.63 | 213.96 | 227.15 | 245.40 | 262.76 | 243.44 | 238.59 | 251.42 |
| Share price per Ordinary share (p) | 159.00 | 194.25 | 218.00 | 195.75 | 214.00 | 228.50 | 231.00 | 215.00 | 208.00 | 220.00 |
| Equity shareholders' funds (£'000) | 329,432 | 396,028 | 431,869 | 382,199 | 403,403 | 431,476 | 450,790 | 413,447 | 398,868 | 377,895 |

Performance

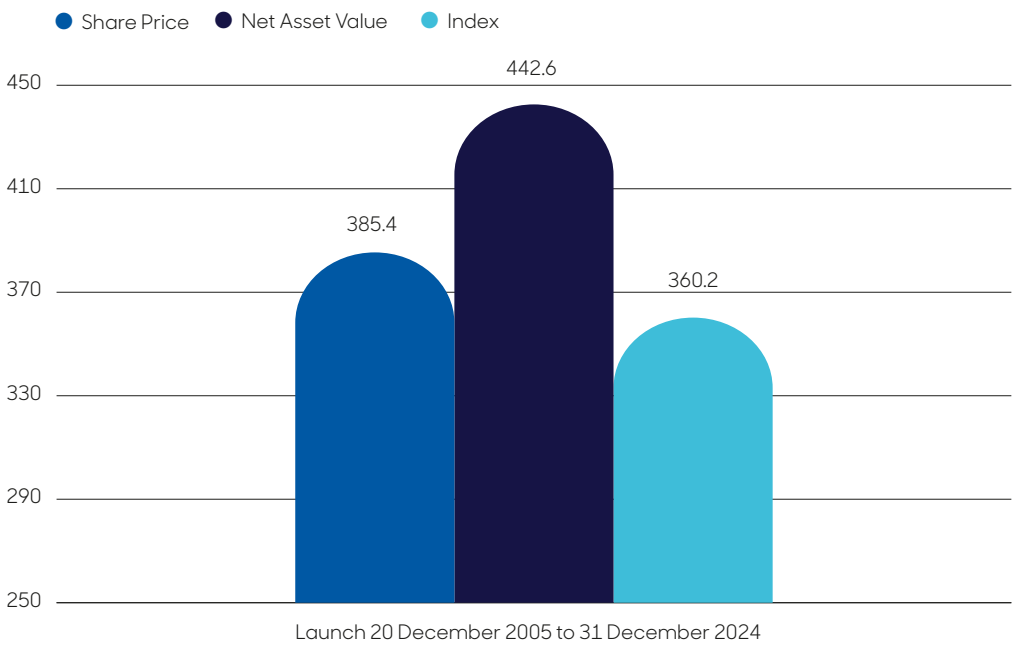


The NAV and share price total returns have outperformed the Index over 3 and 5 years, and since launch in December 2005.

Total Return over 1, 3 and 5 years (%)



Total Return since launch (%)



+442.6%

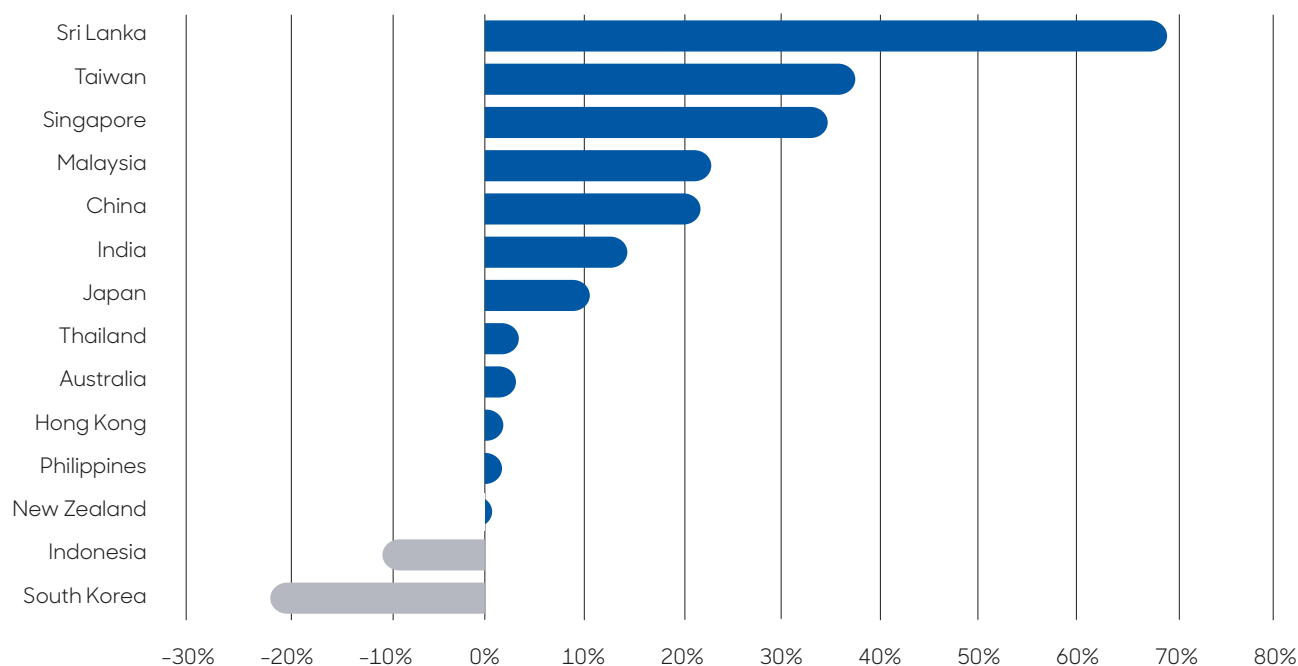
NAV Total Return since Launch

+385.4%

Share Price Total Return since launch

Performance continued

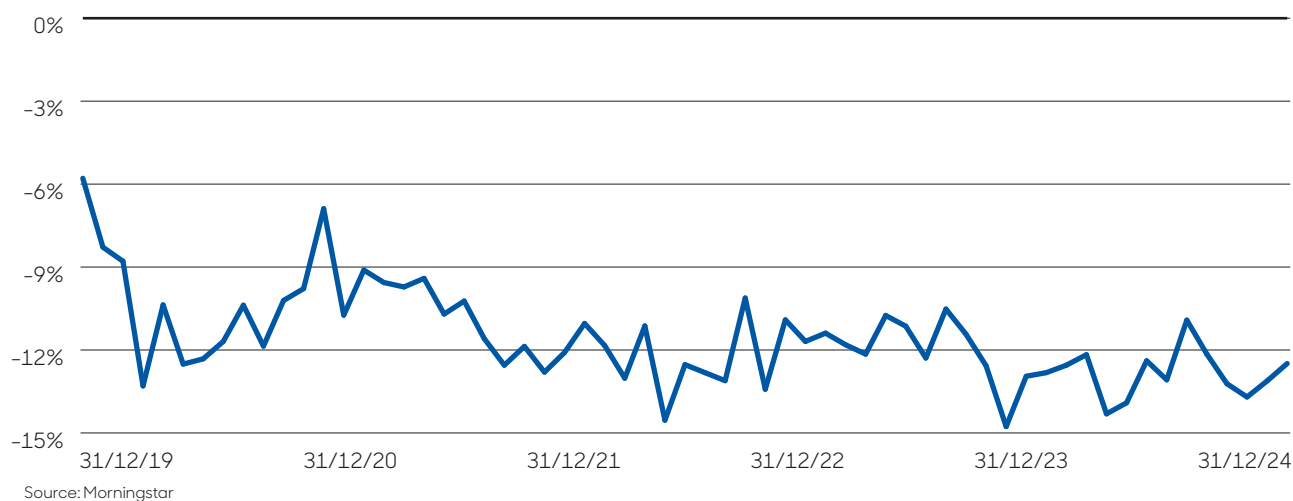
MSCI Country Index Total Returns (in sterling terms) to 31 December 2024



Source: Factset

Share Price Premium/(Discount) to Diluted NAV

Five years to 31 December 2024

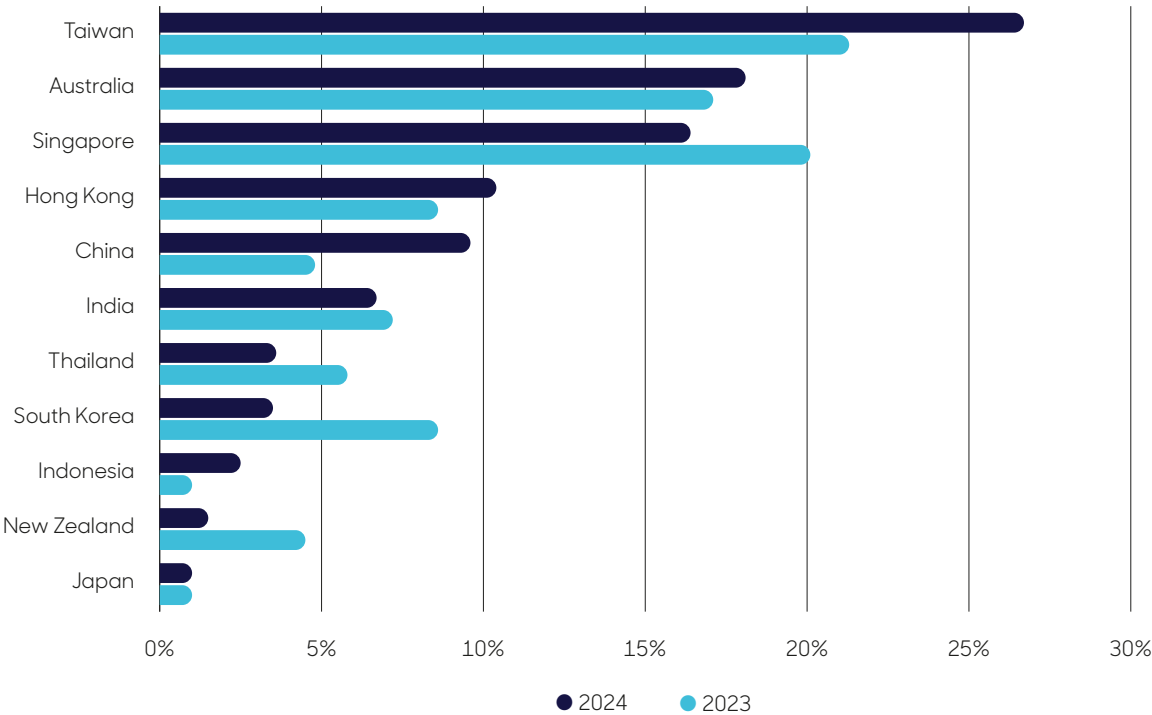


Source: Morningstar

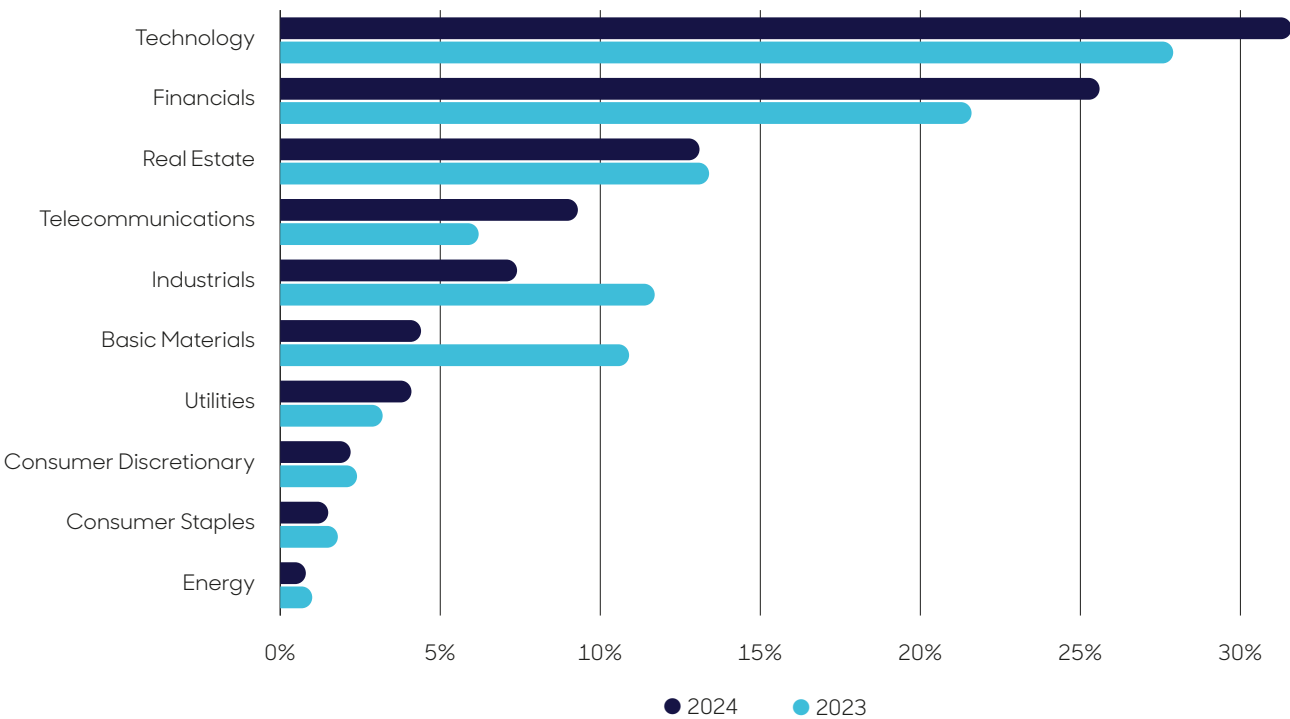
Geographic/Sector Analysis



Geographic breakdown of portfolio as at 31 December 2024

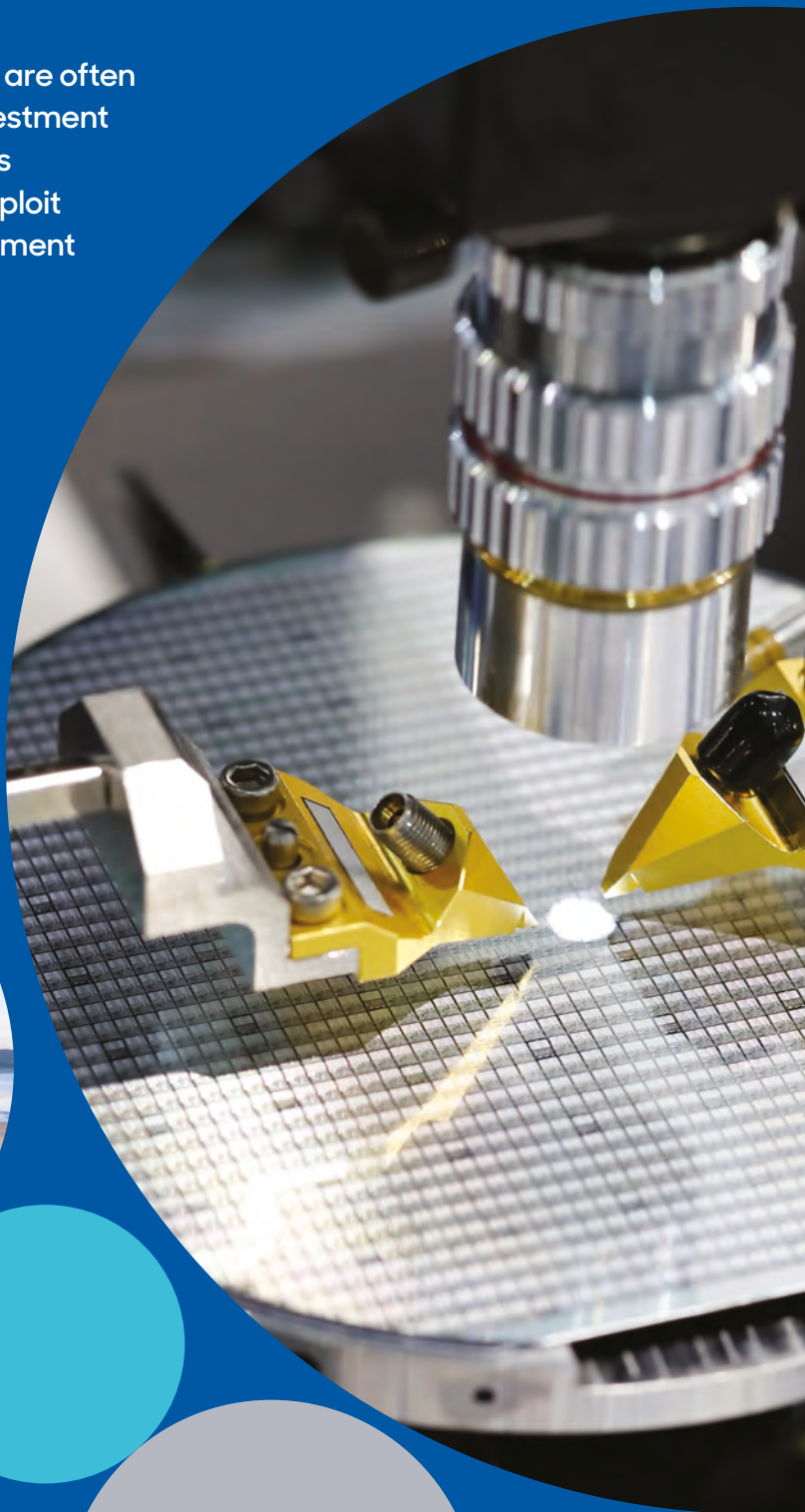


Sector breakdown of portfolio as at 31 December 2024



Portfolio

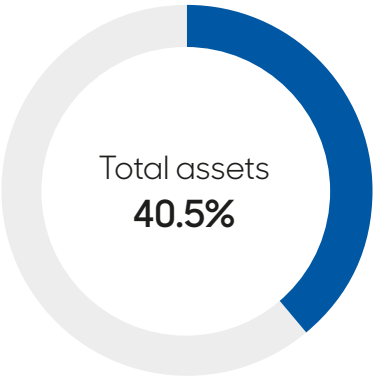
In the Investment Manager's view, company fundamentals ultimately drive share prices but are often valued inefficiently in the shorter term. The Investment Manager believes that fundamental research is the key to delivering insights that allows it to exploit these inefficiencies and identify the best investment opportunities for the portfolio.



Ten Largest Investments

As at 31 December 2024

Analysis of top ten investments



2024 valuation
£166.2m

13.8%



Taiwan Semiconductor Manufacturing Company ("TSMC")

The world's largest pure-play semiconductor manufacturer, TSMC provides integrated foundry services along with a robust balance sheet and good cash generation that enables it to keep investing in cutting-edge technology and innovation.

3.6%



Power Grid Corp

The company plans and manages the national power grid network in India and is poised to play a key role in the growth of renewable energy delivery in future as part of the country's drive towards green energy.

3.5%



DBS Group

The largest Singapore bank by assets, it is also one of the best managed with a clear strategy. It is backed by good digital infrastructure, and operates with focus on efficiency of returns, as shown in the distinctively better return on equity than local peers.

3.1%

SAMSUNG

Samsung Electronics

One of the global leaders in the memory chips segment, and also 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.

Ten Largest Investments continued

3.0%



Oversea-Chinese Banking Corporation

A well-managed Singapore bank with a strong capital base and impressive cost-to-income ratio. In addition to its core banking activities it has sizeable wealth management and life assurance divisions.

2.9%



Mirvac Holding

A diversified property developer that holds an investment portfolio of income-yielding Australian assets and a fund management business managing third party AUM. The company not only has a portfolio of high-quality office assets but also a pipeline of residential projects that is well suited to address the undersupply of housing in Australia.

2.8%



United Overseas Bank

Singapore's second-largest bank has positioned itself as a commercial bank with a South East Asian franchise, with its core market in Singapore and a regional network that is more concentrated in Malaysia and Thailand.

2.7%



Taiwan Mobile

The second largest telecoms company by size in Taiwan, Taiwan Mobile has a dominant mobile business and a significant stake in Momo, the largest e-commerce platform in the country.

2.6%



BHP Group

The Anglo-Australian miner is a proxy for China and emerging markets' secular growth. It offers higher relative returns, a better social responsibility culture than its peers and an asset mix that is better leveraged to the energy sector's recovery.

2.5%



Media Tek

A semiconductor provider for digital telecommunications and multimedia solutions, supported by structural growth in areas like 5G, AI and advanced computing, and with management committing to special dividends over the next few years.

List of Investments



As at 31 December 2024

| Company | Country | Valuation 2024 £'000 | Total assets ^A % | Valuation 2023 ^B £'000 |
|--|-------------|-------------------------|--------------------------------|--------------------------------------|
| Taiwan Semiconductor Manufacturing Company | Taiwan | 56,804 | 13.8 | 35,371 |
| Power Grid Corp | India | 14,688 | 3.6 | 12,056 |
| DBS Group | Singapore | 14,512 | 3.5 | 15,260 |
| Samsung Electronics (Pref) | South Korea | 12,650 | 3.1 | 28,170 |
| Oversea-Chinese Banking Corporation | Singapore | 12,399 | 3.0 | 14,088 |
| Mirvac Group | Australia | 12,012 | 2.9 | - |
| United Overseas Bank | Singapore | 11,523 | 2.8 | 10,807 |
| Taiwan Mobile | Taiwan | 10,940 | 2.7 | 9,963 |
| BHP Group | Australia | 10,580 | 2.6 | 19,340 |
| MediaTek | Taiwan | 10,097 | 2.5 | 13,062 |
| Top ten investments | | 166,205 | 40.5 | |
| China Construction Bank | China | 9,970 | 2.4 | - |
| Tencent Holdings | Hong Kong | 9,460 | 2.3 | 4,088 |
| Accton Technology | Taiwan | 8,593 | 2.1 | 7,365 |
| Commonwealth Bank of Australia | Australia | 8,120 | 2.0 | 6,396 |
| Telstra Corporation | Australia | 8,100 | 2.0 | 4,207 |
| Hon Hai Precision Industry | Taiwan | 7,488 | 1.8 | 4,442 |
| AIA Group | Hong Kong | 7,390 | 1.8 | 8,730 |
| Rio Tinto ^C | Australia | 7,250 | 1.8 | 10,516 |
| Midea Group 'A' ^D | China | 7,140 | 1.7 | 5,252 |
| Charter Hall Long Wale REIT | Australia | 6,995 | 1.7 | 7,153 |
| Top twenty investments | | 246,711 | 60.1 | |
| Sunonwealth Electric Machine | Taiwan | 6,931 | 1.7 | 7,603 |
| Tisco Financial Group Foreign | Thailand | 6,661 | 1.6 | 7,055 |
| Tata Consultancy Services | India | 6,647 | 1.6 | 4,979 |
| Bank Mandiri | Indonesia | 6,631 | 1.6 | 4,251 |
| Singapore Technologies Engineering | Singapore | 6,399 | 1.6 | 6,582 |
| SITC International Holdings | Hong Kong | 6,130 | 1.5 | 4,662 |
| Capitaland India Trust | Singapore | 6,077 | 1.5 | 6,129 |
| Hong Kong Exchanges & Clearing | Hong Kong | 6,042 | 1.5 | 5,465 |
| Singapore Telecommunications | Singapore | 5,935 | 1.5 | 4,333 |
| Infosys | India | 5,884 | 1.4 | 6,442 |
| Top thirty investments | | 310,048 | 75.6 | |

List of Investments continued

As at 31 December 2024

| Company | Country | Valuation 2024 £'000 | Total assets ^A % | Valuation 2023 ^B £'000 |
|---------------------------------------|-------------|-------------------------|--------------------------------|--------------------------------------|
| Venture Corporation | Singapore | 5,819 | 1.4 | 11,147 |
| Dah Sing Financial Holding | Hong Kong | 5,632 | 1.4 | 3,134 |
| Region RE | Australia | 5,582 | 1.4 | 6,569 |
| PICC Property & Casualty 'H' | China | 5,564 | 1.4 | - |
| National Australia Bank | Australia | 5,492 | 1.3 | 4,903 |
| Centuria Industries REIT | Australia | 5,133 | 1.3 | 9,219 |
| China Resources Land | China | 4,761 | 1.2 | 8,704 |
| Inner Mongolia Yili Industrial 'A' | China | 4,398 | 1.1 | - |
| NZX | New Zealand | 4,241 | 1.0 | 4,278 |
| Taiwan Union Technology | Taiwan | 4,165 | 1.0 | 3,768 |
| Top forty investments | | 360,835 | 88.1 | |
| Transurban Group | Australia | 4,134 | 1.0 | - |
| Capitaland Investment | Singapore | 4,049 | 1.0 | 4,947 |
| Amada Co | Japan | 4,014 | 1.0 | 4,197 |
| Aextra Future City | Thailand | 3,849 | 0.9 | - |
| Fuyao Glass Industry 'A' | China | 3,393 | 0.8 | - |
| Autohome Inc - ADR | Hong Kong | 3,393 | 0.8 | 3,609 |
| AKR Corporindo | Indonesia | 3,283 | 0.8 | 4,119 |
| GlobalWafers | Taiwan | 3,229 | 0.8 | 5,221 |
| Hang Lung Properties | Hong Kong | 2,630 | 0.6 | 4,479 |
| Advanced Info Service | Thailand | 2,212 | 0.5 | - |
| Top fifty investments | | 395,021 | 96.3 | |
| Land & Houses Foreign | Thailand | 2,053 | 0.5 | 3,263 |
| China Resources Gas | China | 2,004 | 0.5 | 1,627 |
| Spark New Zealand | New Zealand | 1,900 | 0.5 | 8,188 |
| Midea Group ^E | China | 1,794 | 0.4 | - |
| Convenience Retail Asia | Hong Kong | 1,694 | 0.4 | 2,746 |
| SK Hynix | South Korea | 1,575 | 0.4 | - |
| Top fifty-six investments | | 406,041 | 99.0 | |
| G3 Exploration ^F | China | - | 0.0 | - |
| Total value of investments | | 406,041 | 99.0 | |
| Net current assets^G | | 4,276 | 1.00 | |
| Total assets^A | | 410,317 | 100.0 | |

^A Net assets excluding borrowings.

^B Purchases and/or sales effected during the year may result in 2024 and 2023 values not being directly comparable.

^C Incorporated in and listing held in United Kingdom.

^D Shares denominated in Chinese Renminbi.

^E Shares denominated in Hong Kong Dollars.

^F Corporate bonds.

^G Excludes bank loans of £32,422,000 and includes deferred tax liability on Indian capital gains of £1,706,000.

Investment Case Studies



DBS Group

When did we first invest?

2013

Where is the company head office?

Singapore

Holding at year end:

3.5%

With the help of Artificial Intelligence ("AI"), a customer of Singapore bank DBS will receive an alert from the bank if an unusual card transaction is made at a Point-of-Sale ("POS") terminal and he/she is not near the POS terminal.

This example illustrates how DBS, which started its Digital Transformation ("DX") a decade ago, is leading its peers in innovative first-in-market use cases such as location data to safeguard the assets of its customers.

DBS has created more than 100 AI and machine learning algorithms that analyse 15,000 customer data points to generate seven types of "nudges" (or hyper-personalised and actionable insights converted from data), such as the location nudge mentioned above. Other nudges include offering personalised product recommendations and celebrating its customers' milestones.

Today, over 3.5 million retail and wealth customers of DBS are engaging with 30 million nudges every month in Singapore alone.

This DX journey has involved a complete overhaul of its technology stack towards the cloud across its front-end all the way to its back-end operations. As a result, over 90% of DBS's applications now operate in a cloud-ready environment and nearly 99% of its applications are hosted on the cloud rather than physical servers.



Supported by good digital infrastructure, DBS's financial performance has been consistently strong. The bank's Return on Equity ("ROE") remains superior to its domestic peers. DBS also enjoys a low cost of funding owing to its strong deposit franchise in Singapore, with high Current Account and Savings Account ("CASA") ratios.

Meanwhile, DBS's management is paying more heed towards shareholder returns. It has announced a S\$3 billion (£1.8 billion) share buyback programme that will stretch over the next one to two years. DBS is also raising its dividends, committing to an annual dividend increase of 24 Cents per share over the next three to five years. Its current dividend yield is around 5%.

The bank also boasts solid ESG credentials, with an ESG rating of AA (the second highest) from index provider MSCI, an endorsement of its efforts in sustainability and governance. Among its efforts, it aims to have net zero financed emissions by 2050 and has committed to allocating up to S\$1 billion to improve the lives of the low income and underprivileged over the next 10 years.

Investment Case Studies continued

Midea Group

| When did we first invest? | Where is their head office? | Holding at year end: |
|---------------------------|-----------------------------|----------------------|
| 2020 | Guangdong, China | 2.1%* |

* comprising shares denominated in Chinese Renminbi (1.7%) and shares denominated in Hong Kong Dollars (0.4%).

In 1968, He Xiangjian led 23 farmers in the city of Shunde in Foshan, Guangdong to start a business producing plastic bottle caps with only CNY 5,000. This small set-up was the predecessor of Midea Group, which started selling home appliances in 1980 under its house brand "美的", translated as "Midea".

Subsequently in 2021, Midea streamlined itself into a 1+3+N structure with five high-growth pillars: Smart Home (1), Electro-Mechanical, Building Technologies, Robotics & Automation (3, encompassing the core tech units) and Digital Innovation (N for innovative businesses).

Today, Midea is one of the world's largest home appliance manufacturing companies, generating an annual revenue of CNY 373.7 billion (£42 billion) in 2023.

With an eye on expanding its global footprint, Midea recently completed its listing in Hong Kong in September 2024. This means that it has achieved a key milestone of being listed in both the onshore China and offshore Hong Kong markets.

Midea's overseas business is growing faster than its domestic segment, supported by its Original Equipment Manufacturer ("OEM") business as well as bolt-on acquisitions abroad, such as that of leading German industrial robot maker Kuka and Italian air conditioner maker Clivet, in 2015 and 2016 respectively.



At home in China, Midea is the biggest white goods maker, with a good reputation and track record. More recently, it is benefiting from the government's efforts to support the economy, such as a scheme encouraging consumers to trade in old appliances for new ones.

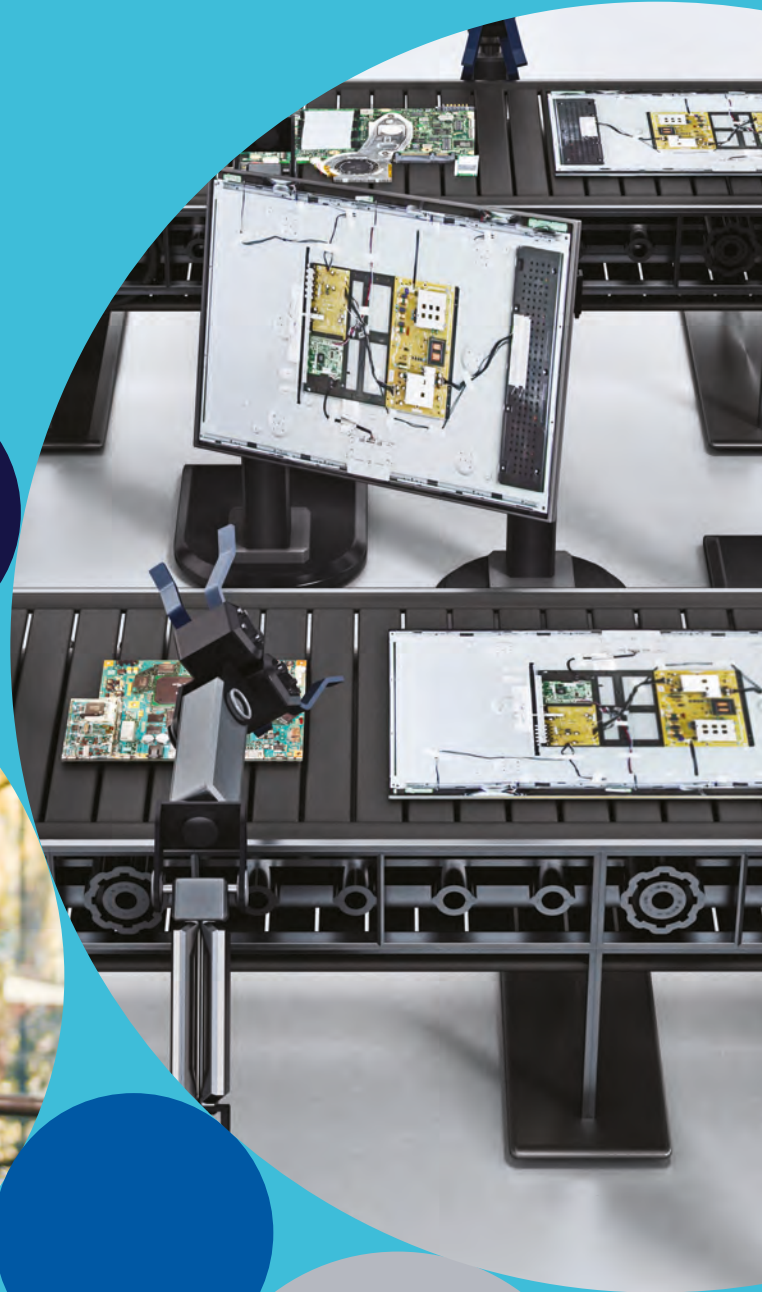
All this is underpinned by a strong commitment to innovation, with Midea investing 3.5% of its profits in Research and Development ("R&D"). The group has over 30 R&D facilities worldwide. Its R&D staff numbers are over 10,000, out of a global workforce exceeding 190,000 employees. It has secured over 35,000 patents and filed 80,000 granted patents to date.

Aside from its growth prospects, Midea also offers an appealing dividend income story. Its management has committed to returning capital to shareholders via dividends, reflecting its confidence in the company's financial health and prospects. This also reflects the quality of Midea's management, who have steered the company well and executed its strategy consistently.

On the ESG front, Midea is also making strides. It has invested over RMB 132 million in energy saving and emission reduction, promoting 1,875 energy-saving projects. Among its factories in China, 28 have been awarded the National Green Factory Certification. The company has joined the United Nations Global Compact, committing to fulfilling the 10 principles of the Global Compact based on the United Nations Convention.

Governance

The Board 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.



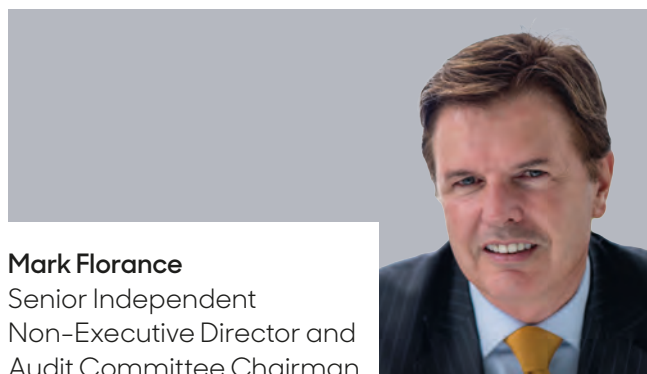
Board of Directors



Ian Cadby
Independent
Non-Executive Chairman

Ian Cadby is a Jersey resident. He was formerly an investment manager, with over 35 years' experience within the asset management industry, including six years in Asia where he ran multi asset portfolios. Ian was the Founder and Group CEO of Ermitage Limited, an investment management group, and has extensive experience in derivative trading, board strategy, corporate governance and risk management. He is a Chartered Fellow of the Chartered Institute of Securities and Investments ("CISI") and a Fellow and Chartered Director of the Institute of Directors ("IoD"). He is also Senior Independent Director of CQS New City High Yield Fund Limited.

**Appointed a Director on 11 May 2016
and Chairman on 1 January 2022**



Mark Florance
Senior Independent
Non-Executive Director and
Audit Committee Chairman

Mark Florance is a Singapore Permanent Resident with over 30 years' experience in corporate finance advisory, mergers and acquisitions, equity capital markets, debt capital markets and debt restructuring in Asia, primarily at NM Rothschild & Sons where he was the vice-chairman for South East Asia and Co-head of Asia. Mark is Chairman of Butterfield Trust (Asia) Limited and is an independent member of the investment committee of renewable energy fund, Climate Investor One and water fund, Climate Investor Two. He has a Bachelor of Commerce (Accounting) and a Bachelor of Laws from the University of New South Wales. He also has a Diploma from the Securities Institute of Australia.

Appointed a Director on 10 May 2017



Robert Kirkby
Independent
Non-Executive Director

Robert Kirkby is a former advisory partner at KPMG Channel Islands and a fellow of the Institute of Chartered Accountants with a background as a business leader. He is a Jersey resident but has particular experience of, and a continued interest in, China and Hong Kong. Robert has a number of non-executive appointments including being Chairman of the audit committees of Digital Jersey Limited and Stonehage Fleming Family & Partners Limited. He is also Chairman of CVC Income & Growth Limited.

Appointed a Director on 1 November 2021



Nicky McCabe
Independent
Non-Executive Director

Nicky McCabe was formerly Head of Product and Investment Trusts at Fidelity International, with experience across the full spectrum of asset management in back office operations, the investment team, proprietary investment, distribution and product management. Nicky is currently a non-executive director of CT UK Capital and Income Investment Trust PLC, Artemis Investment Management Limited and EFG Asset Management (UK) Limited.

Appointed a Director on 16 May 2018



Krystyna Nowak
Independent
Non-Executive Director

Krystyna Nowak's previous roles have included being a Senior Managing Director of Teneo's People Advisory team, a former partner of Ridgeway Partners and former Managing Director of the Board Practice at Norman Broadbent. Krystyna studied at Oxford University, before joining Citibank, originally in London followed by nine years in Hong Kong and Singapore. She is also a director of Record PLC.

Appointed a Director on 7 May 2015



Jane Routledge
Independent
Non-Executive Director

Jane Routledge has significant marketing experience with a long career in the investment management sector. She has held a number of senior marketing positions including at Schroders, Invesco, Hermes and Seven Investment Management. Jane is currently a non-executive director of M&G Credit Income Investment Trust plc and Brown Advisory US Smaller Companies plc.

Appointed a Director on 8 May 2024



Directors' Report

Introduction

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

Results and Dividends

The financial statements for the year ended 31 December 2024 are contained on pages 59 to 87. The Company's dividend policy is to pay interim dividends on a quarterly basis and for the year to 31 December 2024 dividends were paid on 24 May, 23 August and 22 November 2024 and 21 February 2025.

Status

The Company is registered with limited liability in Jersey as a closed-end investment company under the Companies (Jersey) Law 1991 with registered number 91671 and regulated as an Alternative Investment Fund by the Jersey Financial Services Commission. In addition, the Company constitutes and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988 and is an Alternative Investment Fund (within the meaning of Regulation 3 of the Alternative Investment Fund Regulations). The Company has no employees and makes no political donations. The Ordinary shares are admitted to the Official List and are traded on the London Stock Exchange's Main Market.

With effect from 1 January 2022 the Company applied to HM Revenue & Customs to become an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 January 2022. The Directors are of the opinion that the Company has conducted its affairs for the period from 1 January 2022 so as to enable it to comply with the ongoing requirements for investment trust status.

The Company is a member of the Association of Investment Companies ("AIC").

Individual Savings Accounts

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

Capital Structure, Issuance and Buybacks

The Company's capital structure is summarised in note 15 to the financial statements. At 31 December 2024, there were 150,306,492 fully paid Ordinary shares of no par value (2023 – 167,178,707) Ordinary shares in issue. At the year end there were 44,626,897 Ordinary shares held in treasury (2023 – 27,754,682).

During the year 16,872,215 Ordinary shares were purchased in the market for treasury (2023 – 2,653,694) and no Ordinary shares were issued or sold from treasury.

Subsequent to the year end 3,927,318 Ordinary shares have been purchased in the market at a discount for treasury.

Voting Rights

Each Ordinary share holds one voting right and shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. 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 be applied from time to time by law.

Borrowings

At the year end the Company had a £50 million loan with the Bank of Nova Scotia, London Branch. Since the year end, the facility has been renewed for a year, to February 2026. Under the terms of the revolving credit facility, the Company has the option to increase the level of the commitment from £50 million to £70 million at any time, subject to the Lender's credit approval.

Management and Company Secretarial Arrangements

abrdn Asia Limited (a Singapore-based wholly-owned subsidiary of abrdn plc) has been appointed by the Company to provide portfolio and risk management services and to act as the Company's non-EU 'alternative investment fund manager' for the purposes of the Alternative Investment Fund Managers Directive 2011/61/EU. abrdn Investments Limited (a UK-based wholly owned subsidiary of abrdn plc), which is authorised and regulated by the Financial Conduct Authority, has been appointed to provide general administrative and advisory services, fund accounting, secretarial, marketing and promotional activities as well as group risk and compliance reporting to the Company.

In addition, the Company has appointed JTC Fund Solutions (Jersey) Limited ("JTC") under an administration agreement between JTC and the Company to provide certain Jersey based services including, but not limited to, Jersey administration services and compliance with applicable Jersey codes (including provision of a compliance officer, money laundering reporting officer and money laundering compliance officer). JTC also provides a registered office and company secretarial services. The administration fee charged by JTC is met by the abrdn Group.

Termination of the management agreement is subject to six months' notice. Further details of the management fee arrangements are contained in notes 5 and 20 to the financial statements.

Risk Management

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 18 to the financial statements.



Substantial Interests

Information provided to the Company by major shareholders pursuant to the FCA's Disclosure Guidance and Transparency Rules are published by the Company via a Regulatory Information Service.

The table below sets out the interests in 3% or more of the issued share capital of the Company, of which the Board was aware as of 31 December 2024.

| Shareholder | No of Shares Held | % Held |
|--------------------------------------|-------------------|--------|
| Interactive Investor | 16,909,912 | 11.2 |
| City of London Investment Management | 14,599,937 | 9.7 |
| Hargreaves Lansdown | 13,444,247 | 8.9 |
| Rathbones | 11,143,622 | 7.4 |
| 1607 Capital Partners | 10,103,531 | 6.7 |
| AJ Bell | 5,674,139 | 3.8 |
| Charles Stanley | 5,563,029 | 3.7 |
| Allspring Global Investments | 5,293,555 | 3.5 |

Since the year end, 1607 Capital Partners has notified the Company of a reduced holding of 7,211,181 Ordinary shares (4.9%). There have been no other changes notified to the Company since the year end.

Directors

The Board currently consists of six non-executive Directors, Robert Kirkby, Mark Florance, Ian Cadby, Nicky McCabe, Jane Routledge and Krystyna Nowak. Jane Routledge was appointed on 8 May 2024. The other Directors each held office throughout the year.

Governance

The names and biographies of each of the Directors are disclosed on pages 38 and 39 indicating their range of experience. The AIC's Code of Corporate Governance recommends that all Directors should be subject to annual re-election by shareholders. Accordingly, all members of the Board, other than Krystyna Nowak, will retire at the Annual General Meeting ("AGM") and will offer themselves for election/re-election. Having served as a Director for more than nine years, Krystyna Nowak will retire from the Board at the AGM. Details of each continuing Director's contribution to the long-term success of the Company are provided on page 44.

The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all the Directors contribute effectively. The Board has reviewed each of the proposed elections/re-elections and concluded that each of the Directors has the requisite high level and range of business and financial experience and recommends their election/re-election at the forthcoming AGM.

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

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits, and is supportive of, the principle of diversity in its recruitment of new Board members, including diversity of thought, location and background. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. 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 below.

The Board has resolved that the Company's year-end date is the most appropriate date for disclosure purposes. In addition to the information contained below, of the six Directors at 31 December 2024, one is based in Singapore, two are based in Jersey and three are based in the UK.

Directors' Report continued

Table for reporting on gender as at 31 December 2024

| | Number of Board members | Percentage of the Board | Number of senior positions on the Board (note 1) |
|---------------------------------|-------------------------|-------------------------|--|
| Men | 3 | 50% | 5 |
| Women | 3 | 50% | – |
| Not specified/prefer not to say | – | – | – |

Table for reporting on ethnic background as at 31 December 2024

| | Number of Board members | Percentage of the Board | Number of senior positions on the Board (note 1) |
|--|-------------------------|-------------------------|--|
| White British or other White (including minority-white groups) | 6 | 100% | 5 |
| Minority ethnic | – | – | – |
| Not specified/prefer not to say | – | – | – |

Notes:

¹ The Company is externally managed and does not have any executive staff. Specifically, it does not have either a CEO or CFO. The Board considers that the roles of Chairman of the Board, Senior Independent Director, and the chairs of the Audit Committee, Management Engagement Committee and Nomination and Remuneration Committee are Senior Board Positions.

As shown in the above table, the Company has not met the target set out in LR 6.6.6R (9)(a)(iii) that at least one Director is from a minority ethnic background. The Board short listed and interviewed ethnically diverse candidates as part of its most recent recruitment process and will continue to take ethnic diversity into account for future appointments. At the year end the Company also did not meet the target set out in LR 6.6.6R (9)(a)(ii) that at least one Senior Board Position is held by a woman. However, since the year end, Ms Routledge has been appointed as Chair of the Nomination and Remuneration Committee and the Company now meets the Listing Rule target that at least one Senior Board Position is held by a woman.

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 managed succession 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 or her appointment to the Board. However, this may be extended in exceptional 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.

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 of Corporate Governance can be found on its website.

Directors attended the following scheduled Board and Committee meetings during the year ended 31 December 2024 (with their eligibility to attend the relevant meeting in brackets):

| | Board | Audit | MEC | Nom |
|--------------------------|----------|----------|----------|----------|
| Total Meetings | 4 | 2 | 1 | 1 |
| I Cadby ^A | 4 (4) | 2 (2) | 1 (1) | 1 (1) |
| M Florance | 4 (4) | 2 (2) | 1 (1) | 1 (1) |
| R Kirkby | 4 (4) | 2 (2) | 1 (1) | 1 (1) |
| N McCabe | 4 (4) | 2 (2) | 1 (1) | 1 (1) |
| K Nowak | 4 (4) | 2 (2) | 1 (1) | 1 (1) |
| J Routledge ^B | 3 (3) | 1 (1) | – (–) | – (–) |

^A Mr Cadby is not a member of the Audit Committee but attended both meetings by invitation.

^B Appointed a Director on 8 May 2024.

In addition to the above meetings there were a number of ad hoc Board Meetings held during the year to review and approve dividends and other operational matters.

The Board has a schedule of matters reserved to it for decision and the requirement for Board approval on these matters is communicated directly to the senior staff of the Investment Manager. Such matters include strategy, gearing, treasury and dividend policy. Full and timely information is provided to the Board to enable the Directors to function effectively and

to discharge their responsibilities. The Board also reviews the financial statements, performance and revenue budgets.

The Board is conscious of the FRC's updates to the UK Corporate Governance Code, and the corresponding updates to the AIC Code, some of which will apply to the Company's financial year beginning on 1 January 2025. It is the Board's intention that the Company will comply with all relevant provisions of the new codes.

Board Committees

The Directors have 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. 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 Committee

The Audit Committee's Report is included on pages 48 and 49 of this Annual Report.

Management Engagement Committee

The Management Engagement Committee comprises all of the Directors. The Chairman of the Company serves as Chairman of the Management Engagement Committee. The Committee reviews the performance of the Investment Manager and its compliance with the terms of the management and secretarial agreement. The Committee also reviews the performance and contractual arrangements with the Company's other main third party providers. The terms and conditions of the Investment Manager and Investment Manager's appointment, including an evaluation of fees, are reviewed by the Committee on an annual basis.

Through the work of the Management Engagement Committee, the Board remains satisfied with the investment skills of the abrdn Group, that its investment screening processes are thorough and robust and that it employs a well-resourced team of skilled and experienced fund managers. In addition, the Board is satisfied that the abrdn Group has the administrative and promotional skills required for the effective operation and administration of the Company. Accordingly, the Board believes that the continuing appointment of the Investment Manager on the terms agreed is in the interests of shareholders as a whole.

Nomination and Remuneration Committee

All appointments to the Board of Directors are considered by the Nomination and Remuneration Committee which comprises the entire Board. During the year, the Committee was chaired by Mr Cadby, but Ms Routledge has been appointed as Chair of the Committee since the year end. The Committee reviews the effectiveness of the Board, succession planning, Board appointments, appraisals and training, and determines the Directors' remuneration policy and level of remuneration, including for the Chairman. The Committee also considers the need to appoint an external remuneration consultant. The Company's policy on Directors' remuneration,

Directors' Report continued

together with details of the remuneration of each Director, is set out in the Directors' Remuneration Report on pages 50 to 52.

Possible new Directors are identified against the requirements of the Company's business and the need to have a balanced Board. Every Director is entitled to receive appropriate training as deemed necessary. A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next AGM. Notwithstanding the Articles of Association requirement that one third of the Directors retire by rotation at each AGM, each Director retires annually and submits themselves for re-election at the AGM.

In relation to the appointment of Jane Routledge as an independent non-executive Director on 8 May 2024, the Committee engaged an independent firm of search consultants, Nurole Limited.

During the year, the Nomination and Remuneration 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 with appropriate action points made.

Following this process, the Board concluded that it continues to operate well and effectively and is focussing on the right issues in its work to promote the success of the Company and that each Director makes a significant contribution to the Board.

In relation to the contributions by individual Directors standing for election/re-election at the AGM, Mr Cadby was appointed to the Board in 2016 and as Chairman on 1 January 2022. He has provided the Company with expert insight into the management of derivatives as well as the benefit of his international fund management experience. Mr Florance was appointed to the Board in 2017, assumed the role of Audit Committee Chairman in 2018 and became the Senior Independent Director on 8 May 2024. He has chaired the Audit Committee expertly and being resident in Asia is able to bring direct experience of the investment region to the Board. Ms McCabe was appointed to the Board in 2018 and has brought detailed investment trust insight to the Board from her previous industry experience. Mr Kirkby was appointed to the Board in 2021 and has brought significant business experience and knowledge of Jersey regulations to the Board. Ms Routledge was appointed to the Board on 8 May 2024 and has brought significant marketing experience and knowledge of the financial services industry to the Board.

Accordingly, the Board has no hesitation in recommending to shareholders the election/re-election of each of the above Directors at the forthcoming AGM.

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 leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders and ensures that all Directors understand shareholder views.

The 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 and Remuneration 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.

Management of Conflicts of Interests

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors are required to disclose 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 Directors are issued with letters of appointment upon appointment. No Directors had any interest in contracts with the Company during the period or subsequently.

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 abrdn Group 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 abrdn Group's anti-bribery and corruption policies are available on its website: [abrdn.com](https://www.abrdn.com).

Going Concern

The Directors have undertaken a robust review of the Company's viability (refer to statement on page 24) and ability to continue as a going concern. The Company's assets



consist primarily of a diverse portfolio of listed equity shares which in most circumstances are realisable within a very short timescale.

The Directors have reviewed forecasts detailing revenue and liabilities, have set limits for borrowing and reviewed compliance with banking covenants, including the headroom available.

Since the year end, the Company has renewed its £50 million revolving credit facility for one year with the Bank of Nova Scotia, London Branch, its existing lender. In the event that it is not possible to renew the loan in February 2026, the Board considers that there is sufficient portfolio liquidity to enable the loan to be repaid.

Having taken these factors into account, the Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future and at least 12 months from the date of this Annual Report. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Accountability and Audit

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 he or she has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

Shareholders approved the re-appointment of KPMG Channel Islands Limited as independent Auditor at the AGM held on 8 May 2024 and a resolution to re-appoint KPMG Channel Islands Limited as the Company's Auditor and to authorise the Directors to fix the Auditor's remuneration will be put to shareholders at the AGM to be held on 8 May 2025.

Principal Risks and Internal Control

The Principal Risks and Uncertainties facing the Company are detailed on pages 21 to 23. The Board of Directors is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness.

Following the Financial Reporting Council's publication of "Guidance on Risk Management, Internal Controls and Related Financial and Business Reporting" (the "FRC Guidance"), the Directors confirm that there is an ongoing process for identifying, evaluating and managing the principal risks faced by the Company. This process has been in place for the full year under review and up to the date of approval of the financial statements, is regularly reviewed by the Board and accords with the FRC Guidance.

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 has prepared its own risk register which identifies potential risks as summarised on page 21. The Board considers the potential

cause and possible impact of these risks as well as reviewing the controls in place to mitigate these potential risks. 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.

The Board has reviewed the effectiveness of the system of internal control and, in particular, it has reviewed the process for identifying and evaluating the principal risks faced by the Company and the policies and procedures by which these risks are managed.

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

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

The key components designed to provide effective internal control for the year under review and up to the date of this Report are outlined below:

- the Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Investment Manager have agreed clearly defined investment criteria;
- there are specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board. The Investment Manager's investment process and financial analysis of the companies concerned include detailed appraisal and due diligence;
- written agreements are in place which specifically define the roles and responsibilities of the Investment Manager and other third-party service providers and the Audit Committee reviews, where relevant, ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations. The Board has reviewed the exceptions arising from abrdn Investments Limited's ISAE3402 for the year to 30 September 2024, none of which were judged to be of direct relevance to the Company;

Directors' Report continued

- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the abrdn Group, has decided to place reliance on the abrdn Group's systems and internal audit procedures; and
- twice a year, at its meetings, the Audit Committee carries out an assessment of internal controls by considering documentation from the Investment Manager, including its internal audit and compliance functions and taking account of events since the relevant period end.

In addition, the Investment Manager ensures that clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations. The Board meets periodically with representatives from the Custodian, BNP Paribas SA, London Branch, and receives control reports covering its activities.

Representatives from the Investment Manager's internal audit department report six monthly to the Audit Committee of the Company and have direct access to the Directors at any time.

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

The UK Stewardship Code and Proxy Voting

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Investment Manager.

abrdn plc is a 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.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Chairman welcomes feedback from all shareholders and meets periodically with the largest shareholders to discuss the Company. The Annual Report and financial statements are available on the Company's website and are widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through its website.

The Notice of the AGM included within the Annual Report and financial statements is ordinarily sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board or Investment Manager, either formally at the Company's AGM or informally following the meeting.

The Company Secretary is available to answer general shareholder queries at any time throughout the year. The Directors are keen to encourage dialogue with shareholders and the Chairman welcomes direct contact from shareholders.

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

Alternative Investment Fund Managers Directive ("AIFMD")

In accordance with the Alternative Investment Funds (Jersey) Regulations 2012, the Jersey Financial Services Commission ("JFSC") has granted its permission for the Company to be marketed within any EU Member State or other EU State to which the AIFMD applies. The Company's registration certificate with the JFSC mandates that the Company "must comply with the applicable sections of the Codes of Practice for Alternative Investment Funds and AIF Services Business".

abrdn Asia Limited, as the Company's non-EEA alternative investment fund manager, has notified the UK Financial Conduct Authority in accordance with the requirements of the UK National Private Placement Regime of its intention to market the Company (as a non-EEA AIF under the AIFMD) in the UK.

In addition, in accordance with Article 23 of the AIFMD and Rule 3.2.2 of the Financial Conduct Authority ("FCA") Fund Sourcebook, abrdn Asia Limited is required to make available certain disclosures for potential investors in the Company. These disclosures, in the form of a Pre-Investment Disclosure Document ("PIDD"), are available on the Company's website.

Annual General Meeting

The AGM will be held at 10:30 a.m. on 8 May 2025 at 18 Bishops Square, London E1 6EG.

Resolutions including the following business will be proposed at the AGM:

Dividend Policy

As a result of the timing of the payment of the Company's quarterly dividends, the Company's shareholders are unable to approve a final dividend each year. In line with good corporate governance practice, the Board therefore puts the Company's dividend policy to shareholders for approval at each AGM.

The Company's dividend policy is that, subject to compliance with applicable laws, dividends on the Ordinary shares are payable quarterly in relation to periods ending March, June, September and December. Resolution 3 will seek shareholder approval for the dividend policy.



Authority to Purchase the Company's Shares

The Directors aim to operate an active share buyback policy should the price at which the Ordinary shares trade relative to the NAV per share (including income) be at a discount of more than 5% in normal market conditions.

Purchases of Ordinary shares will only be made through the market for cash at prices below the prevailing estimated NAV per share (including income) where the Directors believe such purchases will enhance shareholder value and are likely to assist in narrowing any discount to NAV at which the Ordinary shares may trade.

Resolution 10, a special resolution, will be proposed to renew the Directors' authority to make market purchases of the Company's Ordinary shares in accordance with the provisions of the Listing Rules of the Financial Conduct Authority. Accordingly, the Company will seek authority to purchase up to a maximum of 21,942,238 Ordinary shares (or, if less, 14.99% of the issued Ordinary share capital as at the date of passing of the resolution). The authority being sought will expire on the earlier of 18 months from the date of the resolution or at the conclusion of the AGM to be held in 2026 unless such authority is renewed prior to such time. Any Ordinary shares purchased in this way will be cancelled and the number of Ordinary shares will be reduced accordingly, or the Ordinary shares will be held in treasury.

Under Jersey company law, Jersey companies can either cancel shares or hold them in treasury following a buy-back of shares. Repurchased shares will only be held in treasury if the Board considers that it will be in the interest of the Company and for the benefit of all shareholders.

Any future sales of Ordinary shares from treasury will only be undertaken at a premium to the prevailing NAV.

Authority to Allot the Company's Shares

There are no provisions under Jersey law which confer rights of pre-emption upon the issue or sale of any class of shares in the Company. However, the Company has a listing on the London Stock Exchange and is required to offer pre-emption rights to its shareholders.

Accordingly, the Articles of Association contain pre-emption provisions similar to those found under UK law in satisfaction of the Listing Rules requirements. Ordinary shares will only be issued at a premium to the prevailing NAV and, therefore, will not be disadvantageous to existing shareholders. Any future issues of Ordinary shares will be carried out in accordance with the Listing Rules.

Unless previously disapplied by special resolution, in accordance with the Listing Rules, the Company is required to first offer any new Ordinary shares or securities (or rights to subscribe for, or

to convert or exchange into, Ordinary shares) proposed to be issued for cash to shareholders in proportion to their holdings in the Company. In order to continue with such Ordinary share issues, as in previous years, the Board is also proposing that its annual disapplication of the pre-emption rights is renewed so that the Company may continue to issue Ordinary shares as and when appropriate. Accordingly, Resolution 11, a special resolution, proposes a disapplication of the pre-emption rights in respect of 10% of the Ordinary shares in issue at the date of the passing of the resolution, set to expire on the earlier of 18 months from the date of the resolution or at the conclusion of the AGM to be held in 2026.

Change of Name of the Company

In order to align the Company's name with the name of the Investment Manager's business, which has recently changed from abrdn plc to Aberdeen Group plc, Resolution 12, which is a special resolution, will propose that, with effect from 1 June 2025, the Company's name is changed to "Aberdeen Asian Income Fund Limited".

Recommendation

The Board considers the resolutions to be in the best interests of the Company and its members as a whole. Accordingly, the Board recommends that shareholders should vote in favour of all resolutions to be proposed at the AGM, as they intend to do in respect of their own beneficial shareholdings which amount to 87,128 Ordinary shares (0.06%).

Ian Cadby

Chairman
25 March 2025

28 Esplanade
St Helier
Jersey JE2 3QA

Audit Committee's Report

The Audit Committee presents its report for the year ended 31 December 2024.

Committee Composition

The Audit Committee operates within clearly defined terms of reference and comprises five independent Directors: Mr Florance (Chairman), Mr Kirkby, Ms McCabe, Ms Nowak and Ms Routledge. The members of the Audit Committee are each independent and free from any relationship that would interfere with their impartial judgement in carrying out their responsibilities. The Board has satisfied itself that at least one of its members has recent and relevant financial experience. The Committee met twice during the year. The Directors' biographies on pages 38 and 39 describe the wide range of recent and relevant financial experience and the Committee's competence in the investment company sector.

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

Functions of the Audit Committee

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

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

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

- to develop and implement policy on the engagement of the external Auditor to supply non-audit services. During the period under review, no additional fees were paid to KPMG Channel Islands Limited (2023: £nil). Any future non-audit fees will be considered in the light of the requirement to maintain the Auditor's independence;
- to review an annual statement from the Investment Manager detailing the arrangements in place within its business whereby its staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters;
- to make recommendations in relation to the appointment of the external Auditor and to approve the remuneration and terms of engagement of the external Auditor; and
- to monitor and review annually the external Auditor's independence, objectivity, effectiveness, resources and qualification.

Activities During the Year

The Audit Committee met twice during the year when it considered the Annual Report and the Half-Yearly Report in detail. Representatives of the abrdn Group's internal audit, risk and compliance departments, and the Company Secretary's compliance team, 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.

Review of Internal Control Systems and Risk

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

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 31 December 2024, the Audit Committee considered the following significant issues, in particular those communicated by the Auditor during its planning and reporting of the year-end audit:

Valuation of Investments

The valuation of investments is undertaken in accordance with the accounting policies, disclosed in notes 2(e) and 22 to the financial statements on pages 65 and 86 to 87. The audit includes independent confirmation of the existence of all investments. 100% of the portfolio by value is considered liquid and quoted in active markets and has been designated as Level 1 within the IFRS 13 fair value hierarchy and can be verified against daily market prices. Further details are provided in note 22 to the financial statements. The portfolio is reviewed and verified by the Investment Manager on a regular basis and management accounts including a full portfolio listing are prepared each month and circulated to all Directors for review. The work undertaken by the Auditor on the valuation of investments is disclosed on page 54. The Company uses the



services of an independent custodian (BNP Paribas SA, London Branch) to hold the assets of the Company. The investment portfolio is reconciled regularly by the Investment Manager and an independent confirmation is provided to the Auditor by the Custodian. The foregoing procedures and processes provide comfort to the Directors in respect of this risk.

Recognition of Investment Income

The recognition of investment income is undertaken in accordance with accounting policy note 2(b) to the financial statements on page 64. Special dividends are allocated to the capital or revenue accounts according to the nature of the payment and the intention of the underlying company. The Investment Manager circulates monthly internal control reports which are reviewed and analysed by the Board. The allocation of material special dividends is also audited by the Auditor. The foregoing procedures and processes provide comfort to the Directors in respect of this risk.

Review of Auditor

The Company's Annual Report and financial statements for the year ended 31 December 2024 have been audited by KPMG Channel Islands Limited at a cost of £59,900 (excluding disbursements) (2023: £57,000). The Audit Committee has reviewed the effectiveness of the Auditor including:

- independence – the Auditor discusses with the Audit Committee, at least bi-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 including the explanation of the audit plan, any deviations from it and the subsequent audit findings are comprehensive and comprehensible; and working relationship with management – the Auditor has a constructive working relationship with the Board and the Investment Manager; and
- 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 retention of knowledge of the investment company sector on rotation of the partner.

Re-appointment of KPMG Channel Islands Limited as Independent Auditor

KPMG Channel Islands Limited has expressed its willingness to be re-appointed independent Auditor to the Company. Resolution 9 which is to be put to shareholders at the forthcoming AGM proposes the re-appointment of KPMG Channel Islands Limited as independent Auditor for the year ending 31 December 2025 and authorises Directors to determine its remuneration.

Mark Florance

Audit Committee Chairman
25 March 2025

28 Esplanade
St Helier
Jersey JE2 3QA

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 AGM on 10 May 2023;
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.

The Company's Auditor has not audited any of the disclosures provided in this Directors' Remuneration Report.

The Director's Remuneration Policy and level of Directors' remuneration are determined by the Nomination and Remuneration Committee, which is chaired the Chairman of the Company and comprises all of the Directors.

The Directors' Remuneration Policy takes into consideration the principles of UK corporate governance and the AIC's recommendations regarding the application of those principles.

No shareholder views were sought in setting the Remuneration Policy (approved by shareholders at the 2023 AGM) although any comments received from shareholders are considered.

Remuneration Policy

Subject to the fee limit set within the Company's Articles of Association (see below), the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment companies that are similar in size, have a similar capital structure and have a similar investment objective. Fees are reviewed annually against the Company's peer group and, if considered appropriate, increased accordingly.

Appointment

- The Company only appoints non-executive Directors.
- All the Directors are non-executive appointed under the terms of letters of appointment.
- Directors must retire and be subject to election at the first AGM after their appointment, and annual re-election thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £35,500).
- No incentive or introductory fees will be paid to encourage a directorship.
- Directors are entitled to be reimbursed for out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.
- The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed upon the giving of three months' 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 have been no changes to the Remuneration Policy during the period of this Report nor are there any proposals for change in the foreseeable future.

Approval of Remuneration Policy and Statement of Voting at AGM

The Remuneration Policy was last approved by shareholders at the AGM on 10 May 2023. The Remuneration Policy is reviewed by the Board on an annual basis and it is the Board's intention that this Remuneration Policy will remain in force for the three year period ending on 31 December 2025.

At the Annual General Meeting held on 10 May 2023, shareholders approved the Directors' Remuneration Policy. 99.7% of proxy votes were in favour of the resolution and 0.3% were against. There were abstentions in respect of 128,133 shares.

Implementation Report

Limit on Directors' Fees

The Directors are non-executive and their fees are set within the limits of the Company's Articles of Association which limit the aggregate fees payable to the Board of Directors to £300,000 per annum. The level of cap may be increased by shareholder resolution from time to time.

Review of Directors' Fees

The Nomination and Remuneration Committee carried out an annual review of the level of Directors' fees during the year which included a review of the fees payable to peer group and other similar investment companies. The Committee concluded that the level of fees would be increased from 1 January 2025 to £51,000 for the Chairman, £41,500 for the Audit Committee Chairman and £35,500 for other Directors. An additional fee of £2,000 is paid to the Senior Independent Director.



The fees were last raised with effect from 1 January 2024. There are no further fees to disclose as the Company has no employees, Chief Executive or executive Directors.

Company Performance

The following graph illustrates the total shareholder return for a holding in the Company's Ordinary shares as compared to the MSCI AC Asia Pacific ex Japan Index (currency adjusted) for the period since the inception of the Company (figures rebased to 100 at inception). Given the Company's investment objective, these are considered the most appropriate indices against which to measure the Company's performance. Shareholders should note that the Company's portfolio is constructed without reference to any stock market index. It is likely, therefore, that there will be periods when the Company's performance will be quite unlike that of any index and there can be no assurance that such divergence will be to the Company's advantage.



Statement of Voting at AGM

At the Company's last Annual General Meeting, held on 8 May 2024, shareholders approved the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in respect of the year ended 31 December 2023. 99.9% of proxy votes were in favour of the resolution and 0.1% were against. There were abstentions in respect of 66,438 shares.

A resolution to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in respect of the year ended 31 December 2024 will be proposed at the AGM on 8 May 2025.

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. The total fees paid to Directors are shown below.

Fees Payable

The Directors who served in the year received the following fees:

| Director | 2024 £ | 2023 £ |
|---|----------------|----------------|
| I Cadby (Chairman and highest paid Director) | 49,000 | 45,000 |
| M Florance ^A | 41,296 | 36,500 |
| R Kirkby | 34,000 | 31,000 |
| N McCabe | 34,000 | 31,000 |
| K Nowak ^B | 34,704 | 32,000 |
| J Routledge ^C | 22,027 | n/a |
| Total | 215,027 | 175,500 |

^A Chairman of the Audit Committee and Senior Independent Director from 8 May 2024.

^B Senior Independent Director until 8 May 2024.

^C Appointed as a Director on 8 May 2024.

Fees are pro-rated where a change takes place during a financial year. None of the above fees (2023 – nil) were payable to third parties in respect of making available the services of Directors.

Annual Percentage Change in Directors' Remuneration

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

| Director | Year ended 31 Dec 2024 % | Year ended 31 Dec 2023 % | Year ended 31 Dec 2022 % | Year ended 31 Dec 2021 % | Year ended 31 Dec 2020 % |
|--------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| I Cadby ^A | 8.9 | 7.1 | 50.0 | 3.7 | 0.0 |
| M Florance ^B | 13.1 | 7.4 | 3.0 | 4.7 | 0.0 |
| R Kirkby ^C | 9.7 | 6.9 | n/a | n/a | n/a |
| N McCabe | 9.7 | 6.9 | 3.6 | 3.7 | 0.0 |
| K Nowak ^D | 8.5 | 6.7 | 3.4 | 3.6 | 0.0 |
| J Routledge ^E | n/a | n/a | n/a | n/a | n/a |

^A Appointed Chairman on 1 January 2022.

^B Appointed Senior Independent Director on 8 May 2024.

^C Appointed as a Director on 1 November 2021.

^D Senior Independent Director until 8 May 2024.

^E Appointed as a Director on 8 May 2024.

Directors' Remuneration Report continued

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors (including connected persons) at 31 December 2024 and 1 January 2024 had no interest in the Ordinary share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below.

| Director | 31 December 2024 Ordinary shares | 1 January 2024 Ordinary shares |
|--------------------------|---|---|
| I Cadby | 20,000 | 12,000 |
| M Florance | 18,746 | 18,746 |
| R Kirkby | 16,937 | 16,937 |
| N McCabe | 5,121 | 5,121 |
| K Nowak | 17,797 | 17,797 |
| J Routledge ^A | 8,527 | – |

^A Appointed as a Director on 8 May 2024.

The Directors' holdings were unchanged at 25 March 2025, being the nearest practicable date prior to the signing of this Annual Report.

Annual Statement

The Board confirms that the Report on Remuneration Policy and the above Remuneration Implementation Report summarises, as applicable, for the year to 31 December 2024:

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

The Directors' Remuneration Report was approved by the Board of Directors and signed on its behalf by:

Ian Cadby

Chairman
25 March 2025

28 Esplanade
St Helier
Jersey JE2 3QA

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 they are required to prepare the financial statements in accordance with International Financial Reporting Standards as issued by the IASB and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of 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, relevant and reliable;
- state whether applicable 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 its financial statements comply with the Companies (Jersey) Law 1991. They are responsible for such internal controls as they determine are 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's Auditor is unaware, and that each Director has taken all the steps he or she ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Responsibility Statement of the Directors in Respect of the Annual Financial Report

The Directors confirm that to the best of their 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; and
- the Strategic Report and Directors' Report includes 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.

The Directors consider 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.

Ian Cadby

Chairman
25 March 2025

28 Esplanade
St Helier
Jersey JE2 3QA

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



Independent Auditor’s Report to the Members of abrdn Asian Income Fund Limited

Our opinion is unmodified

We have audited the financial statements of abrdn Asian Income Fund Limited (the "Company"), which comprise the Balance Sheet as at 31 December 2024, the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and notes, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the financial position of the Company as at 31 December 2024, and of the Company's financial performance and cash flows for the year then ended;
- are prepared in accordance with International Financial Reporting Standards; and

- have been properly prepared in accordance with the Companies (Jersey) Law, 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed entities. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Key audit matters: our assessment of the risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matter was as follows (unchanged from 2023):

| | The risk | Our response |
|---|---|--|
| Valuation of Investments held at fair value through profit or loss (the "Investments"). Investments held at fair value through profit or loss £406,041,000 (2023 : £429,636,000) Refer Note 2(e) of the accounting policy and note 11 and 18 of the financial statements. | <p>Basis:</p> <p>The Company invests in a diversified portfolio of investments comprising listed equities, funds and bonds. These investments are measured at fair value through profit or loss.</p> <p>The valuation of the Company's investments is the main driver of the net asset value of the Company, and is a significant area of our audit.</p> <p>The valuation of the Company's investments is also key to the calculation of gains/(losses) on investments held at fair value through profit or loss, and the calculation of total return, which is an Alternative Performance Measure disclosed in the Company's Annual Report.</p> <p>Risk:</p> <p>Should the reported value of the Company's investments diverge from fair value, the Company's reported net asset value, gains/(losses) on investments held at fair value through profit or loss, and total return would be misstated. The Company's net assets, is considered to be the area which has the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.</p> | <p><i>Our audit procedures included:</i></p> <p>Internal controls:</p> <p>We evaluated the design and implementation of the controls over the valuation of the investments.</p> <p>Use of KPMG specialists:</p> <p>We engaged our valuation specialists to:</p> <p>Agree the price inputs into the fair value of all investments in the Company's portfolio to quoted exchange prices as at 31 December 2024. Independent reference prices were determined for all except one security (a defaulted bond with a reported fair value of £nil), for which insufficient market data was available.</p> <p>Assessing disclosures:</p> <p>We assessed the Company's disclosures in relation to valuation of investments, specifically the accounting policies described in note 2(e), the judgements and estimates made by management, and fair value disclosures in notes 11 and 18 for compliance with IFRS.</p> |



Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £4,310,000, determined with reference to a benchmark of total assets of £416,811,000, of which it represents approximately 1.0% (2023: 1.0%).

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. Performance materiality for the Company was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £3,230,000. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We reported to the Audit Committee any corrected or uncorrected identified misstatements exceeding £215,000, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above, which has informed our identification of significant risks of material misstatement and the associated audit procedures performed in those areas as detailed above.

Going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to affect the Company's financial resources or ability to continue operations over this period were:

- availability of capital to meet operating costs and other financial commitments;
- the ability to successfully refinance or repay debt which is due to mature; and
- the ability of the Company to comply with debt covenants.

We considered whether these risks could plausibly affect the liquidity in the going concern period by comparing severe, but plausible downside scenarios that could arise from these

risks individually and collectively against the level of available financial resources indicated by the Company's financial forecasts.

We considered whether the going concern disclosure in note 2 (a) to the financial statements gives a full and accurate description of the Directors' assessment of going concern.

Our conclusions based on this work:

- we consider that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the Directors' assessment that there is not a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period; and
- we have nothing material to add or draw attention to in relation to the Directors' statement in the notes to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or

Independent Auditor's Report to the Members of abrdn Asian Income Fund Limited continued

no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, 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.

Disclosures of emerging and principal risks and longer-term viability

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' disclosures in respect of emerging and principal risks and the viability statement, and the financial statements and our audit knowledge. We have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the viability statement (page 24) that they have carried out a robust assessment of the emerging and principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity;
- the emerging and principal risks disclosures describing these risks and explaining how they are being managed or mitigated;
- the Directors' explanation in the viability statement (page 24) as to how they have assessed the prospects of the Company, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We are also required to review the viability statement, set out on page 24 under the Listing Rules. Based on the above procedures, we have concluded that the above disclosures



are materially consistent with the financial statements and our audit knowledge.

Corporate governance disclosures

We are required to perform procedures to identify whether there is a material inconsistency between the Directors' corporate governance disclosures and the financial statements and our audit knowledge.

Based on those procedures, we have concluded that each of the following is materially consistent with the financial statements and our audit knowledge:

- the Directors' statement that they consider that 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;
- the section of the Annual Report describing the work of the Audit Committee, including the significant issues that the Audit Committee considered in relation to the financial statements, and how these issues were addressed; and
- the section of the Annual Report that describes the review of the effectiveness of the Company's risk management and internal control systems.

We are required to review the part of Corporate Governance Statement relating to the Company's compliance with the provisions of the UK Corporate Governance Code specified by the Listing Rules for our review. We have nothing to report in this respect.

We have nothing to report on other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Company; or
- the Company's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 53, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of this report and restrictions on its use by persons other than the Company's members as a body

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

Ben Seymour-Smith

For and on behalf of KPMG Channel Islands Limited
Chartered Accountants
Jersey
25 March 2025

Financial Statements

The share price total return for the year ended 31 December 2024 was 12.0% and the NAV total return was 10.8%.



Statement of Comprehensive Income



| | Notes | Year ended 31 December 2024 | | | Year ended 31 December 2023 | | |
|---|---------|--------------------------------|------------------|----------------|--------------------------------|------------------|----------------|
| | | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Investment income | 4 | | | | | | |
| Dividend income | | 21,918 | - | 21,918 | 23,558 | 32 | 23,590 |
| Interest income | | 325 | - | 325 | 459 | - | 459 |
| Stock lending income | | 43 | - | 43 | 4 | - | 4 |
| Total revenue | 3 | 22,286 | - | 22,286 | 24,021 | 32 | 24,053 |
| Gains/(losses) on investments held at fair value through profit or loss | 11 | - | 20,372 | 20,372 | - | (8,457) | (8,457) |
| Net currency (losses)/gains | | - | (773) | (773) | - | 701 | 701 |
| | | 22,286 | 19,599 | 41,885 | 24,021 | (7,724) | 16,297 |
| Expenses | | | | | | | |
| Investment management fee | 5 | (1,053) | (1,315) | (2,368) | (1,216) | (1,825) | (3,041) |
| Other operating expenses | 6 | (1,049) | - | (1,049) | (867) | - | (867) |
| Profit/(loss) before finance costs and tax | | 20,184 | 18,284 | 38,468 | 21,938 | (9,549) | 12,389 |
| Finance costs | 7 | (780) | (1,170) | (1,950) | (810) | (1,215) | (2,025) |
| Profit/(loss) before tax | | 19,404 | 17,114 | 36,518 | 21,128 | (10,764) | 10,364 |
| Tax expense | 2(d), 8 | (1,338) | (968) | (2,306) | (934) | (686) | (1,620) |
| Profit/(loss) for the year | | 18,066 | 16,146 | 34,212 | 20,194 | (11,450) | 8,744 |
| Earnings per Ordinary share (pence) | 10 | 11.35 | 10.14 | 21.49 | 11.97 | (6.79) | 5.18 |

The Company does not have any income or expense that is not included in profit/(loss) for the year, and therefore the "Profit/(loss) for the year" is also the "Total comprehensive income for the year".

All of the profit/(loss) and total comprehensive income is attributable to the equity holders of abrdn Asian Income Fund Limited. There are no non-controlling interests.

The total column of this statement represents the Statement of Comprehensive Income of the Company, prepared in accordance with IFRS. The revenue and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

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

Balance Sheet

| | Notes | As at 31 December 2024 £'000 | As at 31 December 2023 £'000 |
|--|-------|------------------------------------|------------------------------------|
| Non-current assets | | | |
| Investments held at fair value through profit or loss | 11 | 406,041 | 429,636 |
| Current assets | | | |
| Cash and cash equivalents | | 9,349 | 1,560 |
| Other receivables | 12 | 1,421 | 2,913 |
| | | 10,770 | 4,473 |
| Creditors: amounts falling due within one year | | | |
| Bank loans | 13(a) | (32,422) | (32,123) |
| Other payables | 13(b) | (4,788) | (1,503) |
| | | (37,210) | (33,626) |
| Net current liabilities | | (26,440) | (29,153) |
| Total assets less current liabilities | | 379,601 | 400,483 |
| Creditors: amounts falling due after more than one year | | | |
| Deferred tax liability on Indian capital gains | 13(c) | (1,706) | (1,615) |
| | | (1,706) | (1,615) |
| Net assets | | 377,895 | 398,868 |
| Stated capital and reserves | | | |
| Stated capital | 15 | 194,933 | 194,933 |
| Capital redemption reserve | | 1,560 | 1,560 |
| Capital reserve | 16 | 167,722 | 187,549 |
| Revenue reserve | | 13,680 | 14,826 |
| Equity shareholders' funds | | 377,895 | 398,868 |
| Net asset value per Ordinary share (pence) | 17 | 251.42 | 238.59 |

The financial statements on pages 59 to 87 were approved by the Board of Directors and authorised for issue on 25 March 2025 and were signed on its behalf by:

Ian Cadby
Chairman

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

Cash Flow Statement

| | Notes | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|--|-------|---|---|
| Cash flows from operating activities | | | |
| Dividend income received | | 22,084 | 23,293 |
| Interest income received | | - | 481 |
| Investment management fee paid | | (3,090) | (2,734) |
| Return of capital included in investment income | | - | 32 |
| Other cash expenses | | (1,827) | (940) |
| Net cash generated from operating activities before interest paid and tax | | 17,167 | 20,132 |
| Interest paid | | (1,529) | (2,115) |
| Overseas taxation paid | | (655) | (1,980) |
| Net cash inflows from operating activities | | 14,983 | 16,037 |
| Cash flows from investing activities | | | |
| Purchases of investments | | (204,628) | (142,128) |
| Sales of investments | | 253,457 | 152,001 |
| Indian capital gains tax on sales | | - | (195) |
| Net cash inflow from investing activities | | 48,829 | 9,678 |
| Cash flows from financing activities | | | |
| Purchase of own shares for treasury | 15 | (35,973) | (5,415) |
| Dividends paid | 9 | (19,212) | (17,908) |
| Repayment of loans | | - | (8,000) |
| Costs associated with loan | | (65) | - |
| Net cash outflow from financing activities | | (55,250) | (31,323) |
| Net increase/(decrease) in cash and cash equivalents | | 8,562 | (5,608) |
| Cash and cash equivalents at the start of the year | | 1,560 | 7,328 |
| Effect of foreign exchange on cash and cash equivalents | | (773) | (160) |
| Cash and cash equivalents at the end of the year | 2(f) | 9,349 | 1,560 |

Non-cash transactions during the year comprised stock dividends of £nil (2023 - £390,000) (Note 4).

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

Statement of Changes in Equity

For the year ended 31 December 2024

| | Notes | Stated capital £'000 | Capital redemption reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Retained earnings £'000 | Total £'000 |
|--|-------|-------------------------|--|--------------------------|--------------------------|----------------------------|----------------|
| Opening balance | | 194,933 | 1,560 | 187,549 | 14,826 | - | 398,868 |
| Buyback of Ordinary shares for treasury | 15 | - | - | (35,973) | - | - | (35,973) |
| Profit for the year | | - | - | - | - | 34,212 | 34,212 |
| Transferred from retained earnings to capital reserve ^A | | - | - | 16,146 | - | (16,146) | - |
| Transferred from retained earnings to revenue reserve | | - | - | - | 18,066 | (18,066) | - |
| Dividends paid | 9 | - | - | - | (19,212) | - | (19,212) |
| Balance at 31 December 2024 | | 194,933 | 1,560 | 167,722 | 13,680 | - | 377,895 |

For the year ended 31 December 2023

| | Notes | Stated capital £'000 | Capital redemption reserve £'000 | Capital reserve £'000 | Revenue reserve £'000 | Retained earnings £'000 | Total £'000 |
|--|-------|-------------------------|--|--------------------------|--------------------------|----------------------------|----------------|
| Opening balance | | 194,933 | 1,560 | 204,414 | 12,540 | - | 413,447 |
| Buyback of Ordinary shares for treasury | 15 | - | - | (5,415) | - | - | (5,415) |
| Profit for the year | | - | - | - | - | 8,744 | 8,744 |
| Transferred from retained earnings to capital reserve ^A | | - | - | (11,450) | - | 11,450 | - |
| Transferred from retained earnings to revenue reserve | | - | - | - | 20,194 | (20,194) | - |
| Dividends paid | 9 | - | - | - | (17,908) | - | (17,908) |
| Balance at 31 December 2023 | | 194,933 | 1,560 | 187,549 | 14,826 | - | 398,868 |

^A Represents the capital profit/(loss) attributable to equity shareholders per the Statement of Comprehensive Income.

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

The stated capital in accordance with Companies (Jersey) Law 1991 Article 39A is £260,822,000 (2023 - £260,822,000). These amounts include proceeds arising from the issue of shares by the Company but exclude the cost of shares purchased for cancellation or treasury by the Company.

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

Notes to the Financial Statements



1. Principal activity

The Company is a closed-end investment company incorporated in Jersey, with its Ordinary shares being listed on the London Stock Exchange. The Company's principal activity is investing in securities in the Asia Pacific region.

2. Accounting policies

(a) **Basis of preparation.** The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Reporting Committee of the IASB ("IFRIC"). The financial statements give a true and fair view and comply with the Companies (Jersey) Law, 1991.

The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP), 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in July 2022 to the extent they are consistent with IFRS.

The Company had net current liabilities at the year end. The Directors have undertaken a robust review of the Company's viability (refer to statement on page 24) and ability to continue as a going concern. The Company's assets consist primarily of a diverse portfolio of listed equity shares which in most circumstances are realisable within a very short timescale. The Directors have reviewed forecasts detailing revenue and liabilities, have set limits for borrowing and reviewed compliance with banking covenants, including the headroom available. Having taken these factors into account, the Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Annual Report. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Significant accounting judgements and estimates.

The preparation of financial statements in conformity with IFRS requires the use of certain significant accounting judgements and estimates which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. These judgements include the assessment of the Company's ability to continue as a going concern. One area requiring significant judgement and assumption in the financial statements is the determination of the fair value hierarchy classification of quoted bonds which have been assessed as being Level 2 due to not being considered to trade in active markets. In addition, significant judgement is required to determine the fair value hierarchy classification of Thai securities held on foreign markets whose pricing is based on the local market and have been assessed as Level 1 as the local securities are considered to be identical assets in line with IFRS 13 guidance. Another area of judgement includes the assessment of whether special dividends should be allocated to revenue or capital based on their individual merits. Examples of where special dividends are allocated to capital include events such as the disposal of capital assets and capital restructuring.

Furthermore, the Board of Directors has a policy to write down the value of investments in the financial statements where there are concerns over liquidity, credit worthiness, exit opportunities and the timing of any potential receipts. The Directors believe there are no significant estimates contained within the financial statements as all investments are valued at quoted bid price and all other assets and liabilities are valued at amortised cost.

The financial statements are prepared on a historical cost basis, except for investments that have been measured at fair value through profit or loss ("FVTPL").

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2024.

The financial statements are presented in sterling and all values are rounded to the nearest thousand (£'000) except when otherwise indicated.

New and amended accounting standards and interpretations.

There were no new and amended accounting standards and interpretations applied to the financial statements of the Company during the year.

Notes to the Financial Statements continued

2. Accounting policies continued

At the date of authorisation of these financial statements, the following amendments to Standards and Interpretations were assessed to be relevant and are all effective for annual periods beginning on or after 1 January 2024:

Standards Issued and effective

| | |
|------------------|--|
| IAS 1 Amendments | Classification of Liabilities as Current or Non-Current (effective 1 January 2024) |
| IAS 1 Amendments | Non-current Liabilities with Covenants (effective 1 January 2024) |

Future amendments to standards and interpretations.

Standards Issued but not yet effective

| | |
|-----------------------------|--|
| IAS 21 Amendments | Lack of Exchangeability (effective 1 January 2025) |
| Annual Improvements 2023–24 | Minor amendments to IFRS 1, 7, 9, 10, and IAS 7 (effective 1 January 2026) |
| IFRS 7 and 9 Amendments | Classification and Measurement of Financial Instruments (effective 1 January 2026) |
| IFRS 18 | Presentation and Disclosure in Financial Statements (effective 1 January 2027) |

The Company intends to adopt the Standards and Interpretations in the reporting period when they become effective and the Board does not anticipate that the adoption of these Standards and Interpretations in future periods will materially impact the Company's profit/(loss) for the year in the period of initial application although there may be revised presentations to the Financial Statements and additional disclosures resulting from application of IFRS 18 when it becomes effective.

- (b) **Income.** Dividend income receivable on equity shares is recognised on the ex-dividend date. Dividend income on equity shares where no ex-dividend date is quoted is brought into account when the Company's right to receive payment is established. Where the Company has elected to receive dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Special dividends are an area of significant accounting judgement and are credited to capital or revenue according to their circumstances. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income.

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

- (c) **Expenses.** All expenses, with the exception of interest expenses, which are recognised using the effective interest method, are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except as follows:
- expenses which are incidental to the acquisition or disposal of an investment are treated as capital and separately identified and disclosed in note 11;
 - expenses (including share issue costs) are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated; and
 - the Company charges 60% of investment management fees and finance costs to capital, 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.
- (d) **Taxation.** With effect from 1 January 2022 the Company migrated tax residency to the UK from Jersey and elected to join the UK's investment trust regime.
- The tax expense for year ended 31 December 2024 represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it



further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Balance Sheet date.

Deferred tax is recognised in respect of all temporary differences at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Balance Sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the temporary differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise, using tax rates that are expected to apply at the date the deferred tax position is unwound. Deferred tax is charged or credited in the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Company presents the withholding tax separately from the gross investment income in the Statement of Comprehensive Income.

(e) Investments. The Company has adopted the classification and measurement provisions of IFRS 9 'Financial Instruments'.

The Company classifies its investments based on their contractual cash flow characteristics and the Company's business model for managing the assets. The business model, which is the determining feature for debt instruments, is such that the portfolio of investments is managed, and performance is evaluated, on a fair value basis. The Investment Manager is also compensated based on the fair value of the Company's assets. Equity instruments are classified as FVTPL because cash flows resulting from such instruments do not represent payments of principal and interest on the principal outstanding, and therefore they fail the contractual cash flows test. Consequently, all investments are measured at FVTPL.

Purchases and sales of investments are recognised on a trade date basis. Proceeds are measured at fair value, which is regarded as the proceeds of sale less any transaction costs.

The fair value of the financial assets is based on their quoted bid price at the reporting date, without deduction for any estimated future selling costs.

Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "(Losses)/gains on investments held at fair value through profit or loss" on an average cost basis. Also included within this caption are transaction costs in relation to the purchase or sale of investments.

(f) Cash and cash equivalents. Cash comprises cash held at banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in values.

For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash at bank net of any outstanding bank overdrafts.

(g) Other receivables. Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. As such they are measured at amortised cost. Other receivables do not carry any interest, therefore they have not been assessed for any expected credit losses over their lifetime due to their short-term nature.

(h) Other payables. Other payables are non interest bearing and are stated at amortised cost.

(i) Dividends payable. Interim dividends payable to Shareholders are recognised in the financial statements in the period in which they are declared and paid.

(j) Nature and purpose of reserves

Capital redemption reserve. The capital redemption reserve arose when Ordinary shares were redeemed, at which point an amount equal to £1 per share of the Ordinary share capital was transferred from the Statement of Comprehensive Income to the capital redemption reserve. Following a law amendment in 2008, the Company is no longer required to make a transfer. Although the transfer from the Statement of Comprehensive Income is no longer required, the amount remaining in the capital redemption reserve is not distributable in accordance with the undertaking provided by the Board in the launch Prospectus.

Notes to the Financial Statements continued

2. Accounting policies continued

Capital reserve. This reserve reflects any gains or losses on investments realised in the period along with any increases and decreases in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. This reserve also reflects any gains realised when Ordinary shares are issued at a premium to £1 per share and any losses suffered on the redemption of Ordinary shares for cancellation at a value higher than £1 per share.

When the Company purchases its Ordinary shares to be held in treasury, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from the capital reserve. Should these shares be sold subsequently, the amount received is recognised in the capital reserve and the resulting surplus or deficit on the transaction remains in the capital reserve. The capital reserve is also available to fund dividend payments to shareholders.

Revenue reserve. This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income and is utilised to fund dividend payments to shareholders.

- (k) **Foreign currency.** Monetary assets and liabilities denominated in foreign currencies are converted into sterling at the rate of exchange ruling at the reporting date. The financial statements are presented in sterling, which is the Company's functional and presentation currency. The Company's performance is evaluated and its liquidity is managed in sterling. Therefore sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Transactions during the year involving foreign currencies are converted at the rate of exchange ruling at the transaction date. Gains or losses arising from a change in exchange rates subsequent to the date of a transaction are included as a currency gain or loss in revenue or capital in the Statement of Comprehensive Income, depending on whether the gain or loss is of a revenue or capital nature.

- (l) **Bank loans.** The Company has adopted the classification and measurement provisions of IFRS 9 'Financial Instruments'. Bank loans are measured at amortised cost using the effective interest rate method.

Bank loans are stated at the amount of the net proceeds immediately after draw down plus cumulative finance costs less cumulative payments. The finance cost of bank loans is allocated to years over the term of the debt at a constant rate on the carrying amount and charged 40% to revenue and 60% to capital to reflect the Company's investment policy and prospective revenue and capital growth.

- (m) **Share capital.** The Company's Ordinary shares are classified as equity as the Company has full discretion on repurchasing the Ordinary shares and on dividend distributions.

Issuance, acquisition and resale of Ordinary shares are accounted for as equity transactions. Upon issuance of Ordinary shares, the consideration received is included in equity.

Transaction costs incurred by the Company in acquiring or selling its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in the Statement of Comprehensive Income on the purchase, sale, issuance or cancellation of the Company's own instruments.

- (n) **Traded options.** The Company may enter into certain derivative contracts (e.g. options) to gain exposure to the market. The option contracts are classified as fair value through profit or loss and accounted for as separate derivative contracts and are therefore shown in other assets or other liabilities at their fair value i.e. market value. The premium received on the open position is recognised over the life of the option in the revenue column of the Statement of Comprehensive Income along with fair value changes in the open position which occur due to the movement in underlying securities. Losses realised on the exercise of the contracts are recorded in the capital column of the Statement of Comprehensive Income as they arise. Where the Company enters into derivative contracts to manage market risk, gains or losses arising on such contracts are recorded in the capital column of the Statement of Comprehensive Income.



3. Segmental information

The Company is organised into one main operating segment, which invests in equity securities, debt instruments and derivatives. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based upon analysis of the Company as one segment. The financial results from this segment are equivalent to the financial statements of the Company as a whole.

The following table analyses the Company's operating income by each geographical location. The basis for attributing the operating income is the place of incorporation of the instrument's counterparty.

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---------------------|---|---|
| Asia Pacific region | 21,395 | 23,069 |
| United Kingdom | 891 | 952 |
| | 22,286 | 24,021 |

4. Investment income

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|--------------------------------|---|---|
| Income from investments | | |
| Overseas dividend income | 21,184 | 22,398 |
| UK dividend income | 734 | 770 |
| Stock dividend income | - | 390 |
| | 21,918 | 23,558 |
| Other income | | |
| Bond interest | 168 | 277 |
| Deposit interest | 157 | 182 |
| Stock lending income | 43 | 4 |
| | 368 | 463 |
| Total revenue | 22,286 | 24,021 |

Notes to the Financial Statements continued

5. Investment management fee

| | Year ended 31 December 2024 | | | Year ended 31 December 2023 | | |
|---------------------------|--------------------------------|------------------|----------------|--------------------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Investment management fee | 1,053 | 1,315 | 2,368 | 1,216 | 1,825 | 3,041 |

With effect from 15 August 2023, investment management services have been provided by abrdn Asia Limited ("abrdn Asia"). Prior to this management services were provided by abrdn Capital International Limited ("aCil"). Any stocklending activity has been sub-delegated to abrdn Investments Limited.

With effect from 1 January 2024, the fee structure has been determined by the lower of the Company's market capitalisation or net asset value. The fee is calculated monthly at a rate of 0.75% per annum on market capitalisation (or net assets, whichever is lower) up to £300 million, and 0.60% for amounts exceeding this threshold. From this fee, an annual amount of £130,000 is rebated to the Company by abrdn Asia for the provision of marketing services. An additional amount of £129,000 is rebated to the Company by abrdn Asia for the provision of secretarial services provided by JTC, although JTC's fee is included as part of the management fee cost. The balance due to abrdn Asia at the year end was £372,000 (2023 - £1,093,000).

6. Other operating expenses

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|-------------------------------------|---|---|
| Directors' fees | 215 | 175 |
| Promotional activities ^A | 286 | 200 |
| Auditor's remuneration: | | |
| – statutory audit | 60 | 57 |
| – disbursements | - | 2 |
| Custody fees | 163 | 98 |
| Printing & postage | 23 | 36 |
| Professional fees | 132 | 56 |
| Registrar's fees | 60 | 58 |
| Other | 110 | 185 |
| | 1,049 | 867 |

^A Promotional activities are provided by abrdn Investments Limited. The total fees paid are based on an annual rate for Marketing of £193,000 (from 1 July 2023 - £193,000) and from 20 May 2024 an annual Marketing and PR fee of £130,000 (2023 - £nil). An amount of £38,000 (2023 - £48,000) was payable to abrdn Investments Limited at the year end.

No fees have been paid to the Company's Auditor during the period other than those listed here.



7. Finance costs

| | Year ended 31 December 2024 | | | Year ended 31 December 2023 | | |
|---|--------------------------------|------------------|----------------|--------------------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Interest on bank loans | 779 | 1,168 | 1,947 | 804 | 1,205 | 2,009 |
| Amortisation of loan arrangement expenses | 1 | 2 | 3 | 6 | 10 | 16 |
| | 780 | 1,170 | 1,950 | 810 | 1,215 | 2,025 |

Finance costs are charged 40% to revenue and 60% to capital as disclosed in the accounting policies.

8. Taxation

a) Analysis of tax charge in the year

| | 2024 | | | 2023 | | |
|--|------------------|------------------|----------------|------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Indian capital gains tax | - | 876 | 876 | - | 195 | 195 |
| Overseas withholding tax | 1,338 | - | 1,338 | 934 | - | 934 |
| Total current tax charge for the year (note b) | 1,338 | 876 | 2,214 | 934 | 195 | 1,129 |
| Movement of deferred tax liability on Indian CGT | - | 92 | 92 | - | 491 | 491 |
| Total deferred tax charge for the year (note c) | - | 92 | 92 | - | 491 | 491 |
| Total tax charge for the year | 1,338 | 968 | 2,306 | 934 | 686 | 1,620 |

Notes to the Financial Statements continued

8. Taxation continued

- b) The UK corporation tax rate is 25% (2023 – 19% from 1 January 2023 until 31 March 2023 and 25% from 1 April 2023, giving an effective rate of 23.5%). The tax charge for the year differs from the corporation tax rate.

| | 2024 | | | 2023 | | |
|---|------------------|------------------|----------------|------------------|------------------|----------------|
| | Revenue £'000 | Capital £'000 | Total £'000 | Revenue £'000 | Capital £'000 | Total £'000 |
| Net profit before taxation | 19,404 | 17,114 | 36,518 | 21,128 | (10,764) | 10,364 |
| Corporation tax @ 25.0% (2023 – 23.5%) | 4,851 | 4,279 | 9,130 | 4,965 | (2,529) | 2,436 |
| Effects of: | | | | | | |
| UK dividends | (184) | - | (184) | (181) | - | (181) |
| Non-taxable overseas dividends | (4,628) | - | (4,628) | (4,700) | - | (4,700) |
| Other Non-taxable overseas dividends | - | - | - | - | (8) | (8) |
| Currency gains/losses | - | 193 | 193 | - | (805) | (805) |
| Realised/unrealised gains/losses on investments | - | (5,093) | (5,093) | - | 2,627 | 2,627 |
| Expenses not deductible for tax purposes | - | - | - | 2 | - | 2 |
| Excess management expenses | 5 | 621 | 626 | (53) | 715 | 662 |
| Tax effect of expensed double taxation relief | (44) | - | (44) | (33) | - | (33) |
| Irrecoverable overseas withholding tax | 1,338 | - | 1,338 | 934 | - | 934 |
| Indian capital gains tax | - | 876 | 876 | - | 195 | 195 |
| Movement of deferred tax liability on Indian CGT | - | 92 | 92 | - | 491 | 491 |
| Total current tax charge for the year (note a) | 1,338 | 968 | 2,306 | 934 | 686 | 1,620 |

c) **Factors that may affect future tax charges**

At the year end, after offset against income taxable on receipt, there is a potential deferred tax asset of £1,903,000 (2023 – £1,276,000) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.



9. Dividends on Ordinary shares

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|--|---|---|
| Amounts recognised as distributions to equity holders in the year: | | |
| Fourth interim dividend 2023 – 4.25p per Ordinary share (2022 – 3.10p) | 7,100 | 5,263 |
| First interim dividend 2024 – 2.55p per Ordinary share (2023 – 2.50p) | 4,155 | 4,227 |
| Second interim dividend 2024 – 2.55p per Ordinary share (2023 – 2.50p) | 4,043 | 4,216 |
| Third interim dividend 2024 – 2.55p per Ordinary share (2023 – 2.50p) | 3,914 | 4,202 |
| | 19,212 | 17,908 |

Following the change of tax residency on 1 January 2022, the Company needs to comply with the UK investment trust retention test to satisfy s.1158 of the Corporation Tax Act 2010. The total dividends payable in respect of the financial year which form the basis of s.1158 of the Corporation Tax Act 2010 are set out below. The revenue available for distribution by way of dividend for the year is £18,066,000 (2023 – £20,194,000).

| | 2024 £'000 | 2023 £'000 |
|--|---------------|---------------|
| First interim dividend 2024 – 2.55p per Ordinary share (2023 – 2.50p) | 4,155 | 4,227 |
| Second interim dividend 2024 – 2.55p per Ordinary share (2023 – 2.50p) | 4,043 | 4,216 |
| Third interim dividend 2024 – 2.55p per Ordinary share (2023 – 2.50p) | 3,914 | 4,202 |
| Fourth interim dividend 2024 – 6.78p per Ordinary share (2023 – 4.25p) | 10,148 | 7,100 |
| | 22,260 | 19,745 |

The fourth interim dividend for 2024, amounting to £10,148,000 (2023 – fourth interim dividend of £7,100,000), is not recognised as a liability in these financial statements as it was announced and paid after 31 December 2024.

Notes to the Financial Statements continued

10. Earnings per share

Ordinary shares. The earnings per Ordinary share is based on the profit after taxation of £34,212,000 (2023 – £8,744,000) and on 159,233,450 (2023 – 168,693,861) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year excluding Ordinary shares held in treasury, which do not carry the rights to vote or to dividends.

The earnings per Ordinary share detailed above can be further analysed between revenue and capital as follows:

| | Year ended 31 December 2024 | | | Year ended 31 December 2023 | | |
|--|--------------------------------|---------|-------------|--------------------------------|----------|-------------|
| | Revenue | Capital | Total | Revenue | Capital | Total |
| Net profit/(loss) (£'000) | 18,066 | 16,146 | 34,212 | 20,194 | (11,450) | 8,744 |
| Weighted average number of Ordinary shares in issue ^A | | | 159,233,450 | | | 168,693,861 |
| Return per Ordinary share (pence) | 11.35 | 10.14 | 21.49 | 11.97 | (6.79) | 5.18 |

^A Calculated excluding Ordinary shares held in treasury.

11. Investments held at fair value through profit or loss

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---|---|---|
| Opening book cost | 339,747 | 346,553 |
| Opening investment holding gains | 89,889 | 101,770 |
| Opening fair value | 429,636 | 448,323 |
| Analysis of transactions made during the year | | |
| Purchases at cost | 208,734 | 142,526 |
| Sales proceeds received | (252,701) | (152,756) |
| Realised gains on investments | 40,418 | 24,522 |
| Realised losses on investments | (19,804) | (21,098) |
| Decrease in unrealised gains on investments | (5,077) | (10,412) |
| Decrease/(increase) in unrealised losses on investments | 4,835 | (1,469) |
| Closing fair value | 406,041 | 429,636 |
| | £'000 | £'000 |
| Closing book cost | 316,394 | 339,747 |
| Closing investment gains | 89,647 | 89,889 |
| Closing fair value | 406,041 | 429,636 |



The Company generated £252,701,000 (2023 – £152,756,000) from investments sold in the year. The book cost of these investments when they were purchased was £232,087,000 (2023 – £149,332,000). 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.

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|---------------------------------------|---|---|
| The portfolio valuation | | |
| Listed on recognised stock exchanges: | | |
| Equities – overseas | 406,041 | 426,315 |
| Bonds – overseas | - | 3,321 |
| Total | 406,041 | 429,636 |

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

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|-----------|---|---|
| Purchases | 166 | 120 |
| Sales | 301 | 209 |
| | 467 | 329 |

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.

12. Debtors: amounts falling due within one year

| | Year ended 31 December 2024 £'000 | Year ended 31 December 2023 £'000 |
|--------------------------------|---|---|
| Prepayments and accrued income | 1,421 | 2,913 |

None of the above assets are past their due date or impaired.

Notes to the Financial Statements continued

13. Creditors: amounts falling due within one year

(a) **Bank loans.** At the year end, the Company had the following unsecured bank loans:

| | 2024 | | | 2023 | | |
|---------------------------------------|-----------------|---------------------------------|-----------------------|-----------------|---------------------------------|-----------------------|
| | Interest rate % | Local currency principal amount | Carrying amount £'000 | Interest rate % | Local currency principal amount | Carrying amount £'000 |
| Unsecured bank loans repayable | | | | | | |
| Hong Kong Dollar | 5.359 | 73,500,000 | 7,555 | 6.609 | 73,500,000 | 7,384 |
| United States Dollar | 5.580 | 8,850,000 | 7,067 | 6.634 | 8,850,000 | 6,942 |
| Sterling | 5.700 | 17,800,000 | 17,800 | 6.420 | 7,800,000 | 7,800 |
| Sterling | - | - | - | 1.530 | 10,000,000 | 9,997 |
| Total | | | 32,422 | | | 32,123 |

During the year, the Company had a £40 million multi currency revolving loan facility agreement with Bank of Nova Scotia, London Branch. The Company also had a three year loan of £10 million with Bank of Nova Scotia, London Branch at a fixed interest rate of 1.53%. Both facilities matured on 1 March 2024. Financial covenants contained within the relevant loan agreements provided, inter alia, that the Company's NAV shall at no time be less than £185 million and that adjusted NAV coverage shall at no time be less than 4.0 to 1.0. At 31 December 2024 adjusted NAV coverage was 11.7 to 1.0 based on borrowings of £32,422,000 and net assets were £377,895,000. The Company has complied with all financial covenants throughout the year.

On 1 March 2024, the £10 million fixed rate loan was repaid in full and the Company renewed its £40 million multi currency revolving credit facility with a £50 million loan for one year with Bank of Nova Scotia, London Branch, its existing lender. Under the terms of the revolving credit facility, the Company also has the option to increase the level of the commitment from £50 million to £70 million at any time, subject to the Lender's credit approval.

At the date of signing this report, loans of HKD73,500,000, US\$8,850,000 and £17,800,000 were drawn down at variable interest rates of 4.963%, 5.28% and 5.404% respectively.

| | 2024 £'000 | 2023 £'000 |
|----------------------------|---------------|---------------|
| (b) Other payables | | |
| Investment management fees | 371 | 1,093 |
| Amounts due to brokers | 4,217 | - |
| Other amounts due | 200 | 410 |
| | 4,788 | 1,503 |

Amounts falling due in more than one year:

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| (c) Deferred tax liability on Indian capital gains | 1,706 | 1,615 |



14. Analysis of changes in financing during the year

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Opening balance at 1 January | 32,123 | 40,967 |
| Net decrease in loan drawdown | - | (8,000) |
| Amortisation of loan arrangement expenses | 3 | 16 |
| Foreign exchange movements | 296 | (860) |
| Closing balance at 31 December | 32,422 | 32,123 |

15. Stated capital

| | Ordinary shares (number) | Treasury shares (number) | Total shares (number) | £'000 |
|--|-----------------------------|-----------------------------|--------------------------|----------------|
| Authorised Ordinary shares of no par value | Unlimited | Unlimited | Unlimited | Unlimited |
| Issued and fully paid Ordinary shares of no par value | | | | |
| At 31 December 2023 | 167,178,707 | 27,754,682 | 194,933,389 | 194,933 |
| Shares purchased for treasury | (16,872,215) | 16,872,215 | - | - |
| At 31 December 2024 | 150,306,492 | 44,626,897 | 194,933,389 | 194,933 |

During the year 16,872,215 (2023 – 2,653,694) Ordinary shares were bought back by the Company for holding in treasury at a total cost of £35,973,000 (2023 – £5,415,000). At the year end 44,626,897 (2023 – 27,754,682) Ordinary shares were held in treasury, which represents 22.89% (2023 – 14.24%) of the Company's total issued share capital at 31 December 2024.

For each Ordinary share issued £1 is allocated to stated capital, with the balance taken to the capital reserve.

The Ordinary shares give shareholders the entitlement to all of the capital growth in the Company's assets and to all the income from the Company that is resolved to be distributed.

Since the year end a further 3,927,318 Ordinary shares have been bought back for holding in treasury at a cost of £8,717,000.

Voting and other rights. In accordance with the Articles of Association of the Company, on a show of hands, every member (or duly appointed proxy) present at a general meeting of the Company has one vote; and, on a poll, every member present in person or by proxy shall have one vote for each Ordinary share held, excluding shares held in treasury.

The Ordinary shares carry the right to receive all dividends declared by the Company or the Directors, excluding shares held in treasury.

On a winding-up, provided the Company has satisfied all of its liabilities, holders of Ordinary shares are entitled to all of the surplus assets of the Company, excluding shares held in treasury.

Notes to the Financial Statements continued

16. Capital reserve

| | 2024 £'000 | 2023 £'000 |
|--|----------------|----------------|
| At 1 January | 187,549 | 204,414 |
| Net currency (losses)/gains ^A | (773) | 701 |
| Overseas dividend capital | - | 32 |
| Movement in unrealised fair value | (242) | (11,881) |
| Profit on realisation of investments | 20,614 | 3,424 |
| Costs charged to capital | (3,453) | (3,726) |
| Buyback of Ordinary shares for treasury | (35,973) | (5,415) |
| At 31 December | 167,722 | 187,549 |

^A Gains/(losses) arising during the year have principally arisen from a revaluation of the foreign currency bank loans offset by a revaluation of foreign currency cash held.

17. Net asset value per share

Ordinary shares. The net asset value per Ordinary 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:

| | Net asset value per share 2024 p | Net asset values attributable 2024 £'000 | Net asset value per share 2023 p | Net asset values attributable 2023 £'000 |
|-----------------|---|---|---|---|
| Ordinary shares | 251.42 | 377,895 | 238.59 | 398,868 |

The net asset value per Ordinary share is based on 150,306,492 (2023 - 167,178,707) Ordinary shares, being the number of Ordinary shares in issue at the year end excluding Ordinary shares held in treasury.

18. Financial instruments

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, other than derivatives, comprise securities and other investments, cash balances, bank 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 abrdn Asia under the terms of its management agreement with abrdn Asia (further details of which are included under note 5). The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Investment Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors, with the exception of short-term borrowings.



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

abrdn Asia is a fully integrated member of the abrdn plc Group (the "Group"), which provides a variety of services and support to abrdn Asia in the conduct of its business activities, including in the oversight of the risk management framework for the Company. abrdn Asia is responsible for the day to day administration of the investment policy and 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 Investment Manager conducts its risk oversight function through the operation of the Group's risk management processes and systems which are embedded within the Group's operations. The Group's Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by the Group's Head of Risk, who reports to the Chief Executive Officer of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("Shield").

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

The Group's corporate governance structure is supported by several committees to assist the board of directors of abrdn plc, 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 arising from the Company's financial instruments are (i) market risk (comprising interest rate risk, currency risk and equity price risk), (ii) liquidity risk, (iii) credit risk and (iv) gearing risk.

The Board regularly reviews and agrees policies for managing each of these risks. The Manager's policies for managing each of these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term receivables and payables with the exception of the credit risk of short-term debtors.

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

Interest rate risk. Interest rate risk is the risk that interest rate movements may affect:

- the fair value of the investments in fixed interest rate securities;
- the level of income receivable on cash deposits;
- the interest payable on the Company's variable rate borrowings.

Management of the risk

Financial assets. Although the majority of the Company's financial assets comprise equity shares which neither pay interest nor have a stated maturity date, at the year end the Company had one (2023 – two) holdings in fixed rate overseas corporate bonds, with G3 Exploration valued at £nil (2023 – £nil) and ICICI Bank not held at end of 2024 (2023 – £3,321,000). Bond prices are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the Government's fiscal position, short-term interest rates and international market comparisons. The Investment Manager takes all these factors into account when making any investment decisions as well as considering the financial standing of the potential investee entity. G3 Exploration appointed joint liquidators during December 2019. Using an adjusted net asset value model the Board of Directors decided to write down the value of G3 Exploration to £nil due to concerns over liquidity, credit worthiness, exit opportunities and the timing of any potential receipts. There has been no change in carrying value during the year under review or as at the date of this Report.

Returns from bonds are fixed at the time of purchase, as the fixed coupon payments are known, as are the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond the market price at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred.

Notes to the Financial Statements continued

18. Financial instruments continued

Financial liabilities. The Company primarily finances its operations through use of equity, retained profits and bank borrowings. Details of the terms and conditions of the bank borrowings are disclosed in note 13. Interest is due on the Bank of Nova Scotia, London multi currency revolving loan facility on the maturity date, with the next interest payment being due on 6 January 2025 for HKD loan, GBP loan and USD loans.

The Board actively monitors its bank borrowings. A decision on whether to roll over its existing borrowings is made prior to their maturity dates, taking into account the Company's ability to draw down fixed, long-term borrowings. The Company does not employ any hedging against floating rate borrowings.

The interest rate profile of the Company (excluding short term debtors and creditors but including short term borrowings as stated previously) was as follows:

| | Weighted average period for which rate is fixed Years | Weighted average interest rate % | Floating rate £'000 | Fixed rate £'000 |
|---------------------------------|---|---|---------------------------|------------------------|
| At 31 December 2024 | | | | |
| Assets | | | | |
| Cash at bank - Sterling | - | - | 8,674 | - |
| Cash at bank - Chinese Renminbi | - | - | 3 | - |
| Cash at bank - Taiwanese Dollar | - | - | 670 | - |
| Cash at bank - US Dollar | - | - | 2 | - |
| | | | 9,349 | - |
| | | | | |
| | Weighted average period for which rate is fixed Years | Weighted average interest rate % | Floating rate £'000 | Fixed rate £'000 |
| At 31 December 2024 | | | | |
| Liabilities | | | | |
| Bank loan - Hong Kong Dollar | 0.07 | 5.36 | - | (7,555) |
| Bank loan - US Dollar | 0.07 | 5.58 | - | (7,067) |
| Bank loan - Sterling | 0.07 | 5.70 | - | (17,800) |
| | | | - | (32,422) |



| At 31 December 2023 | Weighted average period for which rate is fixed Years | Weighted average interest rate % | Floating rate £'000 | Fixed rate £'000 |
|---------------------------------|---|---|---------------------------|------------------------|
| Assets | | | | |
| Indian Overseas Corporate Bond | 0.60 | 9.15 | - | 3,321 |
| Cash at bank – Sterling | - | - | 3,199 | - |
| Cash at bank – Chinese Yuan | - | - | (372) | - |
| Cash at bank – Chinese CNY | - | - | 373 | - |
| Cash at bank – Hong Kong Dollar | - | - | 2 | - |
| Cash at bank – Indian Rupee | - | - | (1,682) | - |
| Cash at bank – Taiwan Dollar | - | - | 40 | - |
| | | | 1,560 | 3,321 |

| At 31 December 2023 | Weighted average period for which rate is fixed Years | Weighted average interest rate % | Floating rate £'000 | Fixed rate £'000 |
|------------------------------|---|---|---------------------------|------------------------|
| Liabilities | | | | |
| Bank loan – Hong Kong Dollar | 0.05 | 6.61 | - | (7,384) |
| Bank loan – US Dollar | 0.05 | 6.63 | - | (6,942) |
| Bank loans – Sterling | 0.05 | 6.42 | - | (7,800) |
| Bank loans – Sterling | 0.17 | 1.53 | - | (9,997) |
| | | | - | (32,123) |

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

All financial liabilities are measured at amortised cost using the effective interest rate method.

Interest rate sensitivity. The sensitivity analysis demonstrates the sensitivity of the Company's profit for the year to a reasonably possible change in interest rates, with all other variables held constant.

The sensitivity of the profit/(loss) for the year is the effect of the assumed change in interest rates on:

- the net interest income for one year, based on the floating rate financial assets held at the Balance Sheet date; and
- changes in fair value of investments for the year, based on revaluing fixed rate financial assets at the Balance Sheet date.

The Directors have considered the potential impact of a 100 basis point movement in interest rates and concluded that it would not be material in the current year (2023 – not material). This consideration is based on the Company's exposure to interest rates on its floating rate cash balances, fixed interest securities and bank loans.

Notes to the Financial Statements continued

18. Financial instruments continued

Foreign currency risk. A significant proportion of the Company's investment portfolio is invested in overseas securities and the Balance Sheet can be significantly affected by movements in foreign exchange rates. It is not the Company's policy to hedge this risk on a continuing basis. A significant proportion of the Company's borrowings, as detailed in note 13, is in foreign currency as at 31 December 2024.

Management of the risk. The revenue account is subject to currency fluctuation arising on overseas income. The Company does not hedge this currency risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings.

The fair values of the Company's monetary items that have foreign currency exposure at 31 December are shown below. Where the Company's equity investments (which are non-monetary items) are priced in a foreign currency, they have been included within the equity price risk sensitivity analysis so as to show the overall level of exposure.

| | 31 December 2024 | | | 31 December 2023 | | |
|--------------------|-----------------------------|--|----------------------------------|-----------------------------|--|----------------------------------|
| | Equity investments £'000 | Net monetary assets/ (liabilities) £'000 | Total currency exposure £'000 | Equity investments £'000 | Net monetary assets/ (liabilities) £'000 | Total currency exposure £'000 |
| Australian Dollar | 68,047 | - | 68,047 | 77,929 | - | 77,929 |
| Chinese Renminbi | 14,931 | 3 | 14,934 | 10,266 | 1 | 10,267 |
| Hong Kong Dollar | 63,072 | (7,555) | 55,517 | 43,636 | (7,382) | 36,254 |
| Indian Rupee | 27,219 | - | 27,219 | 23,477 | 1,639 | 25,116 |
| Indonesian Rupiah | 9,914 | - | 9,914 | 8,371 | - | 8,371 |
| Japanese Yen | 4,013 | - | 4,013 | 4,197 | - | 4,197 |
| New Zealand Dollar | 4,241 | - | 4,241 | 4,278 | - | 4,278 |
| Singapore Dollar | 66,713 | - | 66,713 | 83,310 | - | 83,310 |
| South Korean Won | 14,226 | - | 14,226 | 37,145 | - | 37,145 |
| Taiwanese Dollar | 108,248 | 670 | 108,918 | 91,657 | 40 | 91,697 |
| Thailand Baht | 14,774 | - | 14,774 | 25,059 | - | 25,059 |
| US Dollar | 3,393 | (7,065) | (3,672) | 6,474 | (6,942) | (468) |
| Total | 398,791 | (13,947) | 384,844 | 415,799 | (12,644) | 403,155 |



Foreign currency sensitivity. The following table details the impact on the Company's net assets to a 10% decrease (in the context of a 10% increase the figures below should all be read as negative) 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.

| | 2024 £'000 | 2023 £'000 |
|--------------------|---------------|---------------|
| Australian Dollar | 6,805 | 7,793 |
| Chinese Renminbi | 1,493 | 1,027 |
| Hong Kong Dollar | 5,552 | 3,625 |
| Indian Rupee | 2,722 | 2,512 |
| Indonesian Rupiah | 991 | 837 |
| Japanese Yen | 401 | 420 |
| New Zealand Dollar | 424 | 428 |
| Singapore Dollar | 6,671 | 8,331 |
| South Korean Won | 1,423 | 3,715 |
| Taiwanese Dollar | 10,892 | 9,170 |
| Thailand Baht | 1,477 | 2,506 |
| US Dollar | (367) | (47) |
| Total | 38,484 | 40,317 |

Equity price risk. Equity price risk (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the Company's quoted equity 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. The allocation of assets to international markets and the stock selection process, as detailed on pages 92 to 94, both act to reduce market risk. The Investment 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 recognised stock exchanges.

Concentration of exposure to equity price risks. A geographic analysis of the Company's investment portfolio is shown on page 29, which shows that the majority of the investments' value is in the Asia Pacific region. It should be recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Notes to the Financial Statements continued

18. Financial instruments continued

Equity price risk sensitivity. The following table illustrates the sensitivity of the profit after taxation for the year and the equity to an increase or decrease of 10% (2023 – 10%) in the fair values of the Company's equities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equities at each Balance Sheet date, with all other variables held constant.

| | 2024 | | 2023 | |
|--|------------------------------------|------------------------------------|------------------------------------|------------------------------------|
| | Increase in fair value £'000 | Decrease in fair value £'000 | Increase in fair value £'000 | Decrease in fair value £'000 |
| Statement of Comprehensive Income – profit after taxation | | | | |
| Capital return – increase/(decrease) | 40,604 | (40,604) | 42,632 | (42,632) |
| Total profit after taxation – increase/(decrease) | 40,604 | (40,604) | 42,632 | (42,632) |
| Equity | | | | |
| Capital reserve | 40,604 | (40,604) | 42,632 | (42,632) |

(ii) **Liquidity risk.** This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities, which stood at £38,916,000 (2023 – £35,241,000).

Management of the risk. Liquidity risk is not considered to be significant as the Company's assets comprise mainly cash and readily realisable securities, which can be sold to meet funding commitments if necessary and these amounted to £9,349,000 and £406,041,000 (2023 – £1,560,000 and £429,636,000) at the year end respectively. Short-term flexibility is achieved through the use of loan facilities.

Maturity profile. The following table sets out the undiscounted gross cash flows, by maturity, of the Company's significant financial liabilities and cash at the Balance Sheet date:

| | Within 1 year £'000 | Between 1–5 years £'000 | Total £'000 |
|----------------------------|---------------------------|-------------------------------|----------------|
| At 31 December 2024 | | | |
| Fixed rate | | | |
| Bank loans | 32,422 | - | 32,422 |
| Interest on bank loans | 164 | - | 164 |
| | 32,586 | - | 32,586 |
| Floating rate | | | |
| Cash | 9,349 | - | 9,349 |



| | Within 1 year £'000 | Between 1-5 years £'000 | Total £'000 |
|----------------------------|---------------------------|-------------------------------|----------------|
| At 31 December 2023 | | | |
| Fixed rate | 32,123 | – | 32,123 |
| Bank loans | 162 | – | 162 |
| Interest on bank loans | 32,285 | – | 32,285 |
| Floating rate | | | |
| Cash | 1,560 | – | 1,560 |

Details of the Company's borrowing arrangements are disclosed in note 13 on page 74.

(iii) **Credit risk.** This is failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss. The Company is exposed to credit risk on debt instruments. These classes of financial assets are not subject to IFRS 9's impairment requirements as they are measured at FVTPL. The carrying value of these assets, under IFRS 9 represents the Company's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates (see table below "Credit Risk Exposure").

The Company's only financial assets subject to the expected credit loss model within IFRS 9 are only short-term other receivables. At 31 December 2024, the total of short-term other receivables was £1,421,000 (2023 – £2,913,000). Given the balance is not material an assessment of credit risk is not performed. No other assets are considered impaired and no other amounts have been written off during the year.

All other receivables are expected to be received within twelve months or less. An amount is considered to be in default if it has not been received on the due date.

As only other receivables are impacted by the IFRS 9 model, the Company has adopted the simplified approach. The loss allowance is therefore based on lifetime ECLs.

Management of the risk. Where the Investment Manager makes an investment in a bond, corporate or otherwise, where available, the credit rating of the issuer is taken into account so as to minimise the risk to the Company of default. The Company has the following holdings:

- a Chinese overseas corporate bond issued by G3 Exploration with a book cost of £4,611,000. G3 Exploration appointed joint liquidators during December 2019. Therefore the Board of Directors decided to write down the value of G3 Exploration to £nil due to the uncertainty over the repayment of the debt. No interest for G3 Exploration has been accrued since the joint liquidator was appointed.
- an Indian overseas corporate bond issued by ICICI Bank has matured at December 2024 (2023 – £3,321,000).

Each of the above bonds are non-rated. The Investment Manager undertakes an ongoing review of their suitability for inclusion within the portfolio.

Investment transactions are carried out with a large number of brokers, whose credit rating is taken into account so as to minimise the risk to the Company of default.

Notes to the Financial Statements continued

18. Financial instruments continued

The risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a daily basis. In addition, both stock and cash reconciliations to the Custodian's records are performed on a daily basis to ensure discrepancies are investigated on a timely basis. The Manager's Compliance department carries out periodic reviews of the Custodian's operations and reports its finding to the Manager's Risk Management Committee. It is the Manager's policy to trade only with A- and above (Long Term rated) and A-1/P-1 (Short Term rated) counterparties.

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

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

Credit risk exposure. In summary, compared to the amounts included in the Balance Sheet, the maximum exposure to credit risk at 31 December was as follows:

| | 2024 | | 2023 | |
|---|------------------------|------------------------------|------------------------|------------------------------|
| | Balance Sheet £'000 | Maximum exposure £'000 | Balance Sheet £'000 | Maximum exposure £'000 |
| Non-current assets | | | | |
| Investments held at fair value through profit or loss | 406,041 | - | 429,636 | 3,321 |
| Current assets | | | | |
| Cash at bank | 9,349 | 9,349 | 1,560 | 1,560 |
| Other receivables | 1,421 | 1,421 | 2,913 | 2,913 |
| | 416,811 | 10,770 | 434,109 | 7,794 |

(iv) **Gearing risk.** The Company's policy is to increase its exposure to equity markets through the judicious use of borrowings. When borrowings are invested in such markets, the effect is to magnify the impact on shareholders' funds of changes, both positive and negative, in the value of the portfolio. As noted in note 2(l) on page 66 financial liabilities are classified under IFRS 9. The Company has not designated any financial liabilities at FVPL. Therefore, this requirement has not had an impact on the Company. The loans are carried at amortised cost, using the effective interest rate method in the financial statements.

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 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.



19. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the income and capital return to its equity shareholders through an appropriate balance of equity capital and debt. The policy is that debt should not exceed 25% of net assets.

The Company's capital at 31 December comprises:

| | 2024 £'000 | 2023 £'000 |
|---|---------------|---------------|
| Debt | | |
| Borrowings under the multi-currency loan facility | 32,422 | 32,123 |
| | 32,422 | 32,123 |
| | | |
| | 2024 £'000 | 2023 £'000 |
| Equity | | |
| Equity share capital | 194,933 | 194,933 |
| Retained earnings and other reserves | 182,962 | 203,935 |
| | 377,895 | 398,868 |
| | | |
| Debt as a % of net assets ^A | 8.58 | 8.05 |

^A The calculation above differs from the AIC recommended methodology, where debt levels are shown net of cash and cash equivalents held.

The Board, with the assistance of the Investment Manager 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 Investment Manager's views on the market;
- the need to buy back equity shares for cancellation or for holding in treasury, which takes account of the difference between the net asset value per Ordinary share and the Ordinary share price (i.e. the level of share price discount);
- the need for new issues of equity shares; 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.

Notes to the Financial Statements continued

20. Related party transactions and transactions with the Investment Manager

Fees payable during the period to the Directors are disclosed in note 6 on page 68 and within the Directors' Remuneration Report (unaudited) on pages 50 to 52, along with their interests in shares of the Company, totalling 87,128 (2023 – 70,601).

Mr Hugh Young, who was a Director of the Company until his retirement at the Annual General Meeting held on 10 May 2023, was employed by the Company's Investment Manager, abrdn Asia, which is a wholly-owned subsidiary of abrdn plc.

Investment management, promotional activities and administration services are provided by the abrdn group with details of transactions during the year and balances outstanding at the year end disclosed in notes 5 and 6.

The Company also has an agreement with JTC Fund Solutions (Jersey) Limited for the provision of company secretarial and administration services at a cost of £129,000 per annum, which the abrdn group has agreed to rebate in full from the investment management fee which it receives.

21. Controlling party

In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

22. Fair value hierarchy

IFRS 13 'Fair Value Measurement' requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making measurements. The fair value hierarchy has the following levels:

- Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2:** inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets and liabilities measured at fair value in the Balance Sheet are grouped into the fair value hierarchy as follows:

| At 31 December 2024 | Note | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|--|------|------------------|------------------|------------------|----------------|
| Financial assets at fair value through profit or loss | | | | | |
| Quoted equities | a) | 406,041 | - | - | 406,041 |
| Quoted bonds | b) | - | - | - | - |
| Net fair value | | 406,041 | - | - | 406,041 |

| At 31 December 2023 | Note | Level 1 £'000 | Level 2 £'000 | Level 3 £'000 | Total £'000 |
|--|------|------------------|------------------|------------------|----------------|
| Financial assets at fair value through profit or loss | | | | | |
| Quoted equities | a) | 426,315 | - | - | 426,315 |
| Quoted bonds | b) | - | 3,321 | - | 3,321 |
| Net fair value | | 426,315 | 3,321 | - | 429,636 |



- (a) **Quoted equities.** The fair value of the Company's investments in quoted equities has been determined by reference to their quoted bid prices at the reporting date. Quoted equities included in Fair Value Level 1 are actively traded on recognised stock exchanges.
- (b) **Quoted bonds.** The fair value of the Company's investments in quoted bonds has been determined by reference to their quoted bid prices at the reporting date. Investments in quoted bonds are not considered to trade in active markets. There are no holdings in quoted bonds as at 31 December 2024.

In October 2019 the Board of Directors took the decision to write down the value of G3 Exploration by 50% in light of interest payment default and concerns over ongoing trading. At this point the G3 Exploration bond was reclassified as Level 3. G3 Exploration appointed joint liquidators during December 2019. Using an adjusted net asset value model the Board of Directors decided to write down the value of G3 Exploration to £nil due to concerns over liquidity, credit worthiness, exit opportunities and the timing of any potential receipts. There has been no change in carrying value during the year under review or as at the date of this Report.

Fair value of financial assets. The Directors are of the opinion that the fair value of other financial assets is equal to the carrying amounts in the Balance Sheet.

Fair values of financial liabilities. There is no fair value attributed to the borrowings as at 31 December 2024 given their short-term nature. Under the fair value hierarchy in accordance with IFRS 13, these borrowings can be classified as Level 2 due to the use of a discount rate as an observable input in the calculation of fair value.

Securities Financing Transactions Disclosure (Unaudited)

The Company engages in Securities Financing Transactions (SFTs) (as defined in Article 3 of Regulation (EU) 2015/2365, SFTs include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions). In accordance with Article 13 of the Regulation, the Fund's involvement in and exposures related to securities lending for the accounting period are detailed below:

| Absolute value of assets engaged in SFTs | £'000 | % of lendable assets | % of assets under management |
|--|-------|----------------------|------------------------------|
| 31 December 2024 | | | |
| Securities lending | - | - | - |
| 31 December 2023 | | | |
| Securities lending | - | - | - |

Top ten collateral issuers and collateral received

Based on market value of collateral received.

For all issuers, only equity securities with a main market listing were lent and the custodian was BNP Paribas SA, London Branch.

| | 2024 | | 2023 | |
|-------------------------------|--|---|--|---|
| Collateral held per custodian | Market value of collateral held £'000 | Proportion held in segregated accounts % | Market value of collateral held £'000 | Proportion held in segregated accounts % |
| BNP Paribas SA, London Branch | - | n/a | - | n/a |

One custodian is used to hold the collateral, which is in a segregated account.



Top ten collateral issuers and collateral received continued

| Collateral analysed by currency | Market value of collateral received | |
|----------------------------------|-------------------------------------|---------------|
| | 2024 £'000 | 2023 £'000 |
| All currencies | - | - |
| Total collateral received | - | - |

| Securities lending Top Ten Counterparties per type of SFT ^A | Market value of securities lending £'000 | Countries of counterparty establishment | Settlement and clearing |
|---|--|---|----------------------------|
| 31 December 2024 | | | |
| Total market value of securities lending | - | N/A | N/A |
| 31 December 2023 | | | |
| Total market value of securities lending | - | N/A | N/A |

^A All counterparties are shown

Maturity Tenor of SFTs (remaining period to maturity)

31 December 2024

Securities lending

The lending and collateral transactions are on an open basis and can be recalled on demand. As at 31 December 2024 and 31 December 2023 there were no securities on loan.

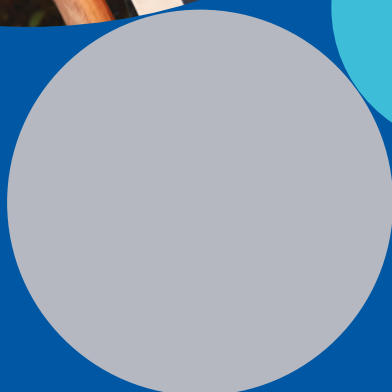
The Company does not engage in any re-use of collateral.

| Return and cost per type of SFT | 2024 | | 2023 | |
|--|-------|------|-------|------|
| | £'000 | % | £'000 | % |
| Securities lending | | | | |
| Gross return | 53 | 100 | 5 | 100 |
| Direct operational costs (securities lending agent costs) ^B | (11) | (20) | (1) | (20) |
| Indirect operational costs (Investment Adviser operational costs) | - | - | - | - |
| Total costs | (11) | (20) | (1) | (20) |
| Net return | 42 | 80 | 4 | 80 |

^B The unrounded direct operational costs and fees incurred for securities lending for the 12 months to 31 December 2024 is £10,629 (2023 – £1,105)

Corporate Information

The Company's Investment Manager is abrdn Asia Limited, a subsidiary of abrdn plc, whose group companies as at 31 December 2024 had £511 billion of assets under management and administration.



Information about the Investment Manager

abrdn Asia Limited

The Company's Investment Manager is abrdn Asia Limited ("abrdn Asia"). abrdn Asia is based in Singapore and is a wholly-owned subsidiary, and the Asia Pacific headquarters of, abrdn plc (the "abrdn Group"), a publicly-quoted company on the London Stock Exchange.

Worldwide, the abrdn Group manages and administers a combined £51.1 billion (as at 31 December 2024) in assets for a range of clients, including individuals and institutions, through mutual and segregated funds, and 14 UK-listed closed end investment companies.

The abrdn Group has its headquarters in Edinburgh with offices in London, Aberdeen, Singapore, Hong Kong, Shanghai, Bangkok and Philadelphia.

The Investment Team Senior Managers



Isaac Thong
Senior Investment
Director, Asian Equities

Isaac Thong will be joining Aberdeen as a Senior Investment Director in the Asian Equities team. Isaac is joining Aberdeen from JP Morgan where he was co-manager of JPMorgan Global Emerging Markets Income Trust PLC and JPMorgan Emerging Markets Income Fund. Isaac graduated with a Bachelor of Commerce with joint honours in Finance and Economics from McGill University, Quebec and is a CFA® Charterholder.



Eric Chan
Investment Director,
Asian Equities

Eric Chan is an Investment Director in the Asian Equities team at abrdn. He joined the company in May 2023 from Allianz Global Investors where he was part of the team which managed Asia ex Japan small and mid-cap equity portfolios. Eric graduated with a MSc in Accounting and Finance from the London School of Economics and a BA from Bowdoin College (USA) where he studied physics and economics. He is a CFA® charterholder.

The Investment Process

The Investment Manager's approach to equity investing is underpinned by three core investment beliefs.

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

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

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

Our research drives performance



Idea Generation

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

Research

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

- **Foundations** – the Investment Manager analyses how a company makes money, the attractiveness and characteristics of its industry, and the strength and sustainability of the economic 'moat'. This includes a

thorough evaluation of the ESG risks and opportunities of the company. Face-to-face meetings anchor how the Investment Manager understands and challenges the key elements of a company's fundamentals: the evolution and growth of the business; the sustainable competitive advantage; management's track record of execution and managing risk; past treatment of minority shareholders; the balance sheet and financials; and ESG risks and opportunities of the company in question.

- **Dynamics** – the shorter and longer-term dynamics of a business that will be the key determinants of its corporate value over time. Specifically, the Investment Manager looks for changes in the factors driving the market price of a stock, identifying the drivers that the wider market may not be pricing in. Understanding the dynamics behind these drivers allows the Investment Manager to focus on the factors that will drive shareholder returns from a particular company.



- **Financials and Valuation** – the Investment Manager examines the strengths and weaknesses of a company's financials including a thorough analysis of the balance sheet, cash flow and accounting, the market's perception of the company's future prospects and value, and its own forecasts of future financials and how the shares should be priced. This includes significant focus on the dividend paying capability of each business, the potential for dividend growth and the sustainability of the distribution.
- **Investment insight and risk** – the Investment Manager articulates its investment thesis, explaining how it views a company differently from the market consensus and how it expects to crystallise value from the holding over time.

Peer Review

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

Portfolio Construction/Risk Controls

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

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

Operational Risk and Independent Governance Oversight

Risk management is an integral part of the Investment Manager's process and portfolios are formally reviewed on a regular basis with the Investment Manager's Global Head of Equities, the portfolio managers, the Investment

Manager's Investment Governance & Oversight Team ("IGO") and members of the Investment Risk Team. This third party oversight both monitors portfolio risk and also oversees operational risk to ensure client objectives are met.

Environmental, Social and Governance ("ESG") Considerations

The Investment Manager has been actively integrating ESG into its investment decision-making process for over 30 years and believes that the consideration of sustainability risks and opportunities can have a material impact on long-term returns for investors. The Company is managed using an investment process that considers ESG factors but does not promote ESG characteristics or have specific sustainable investment objectives. This means that, whilst ESG factors and risks are considered, they may or may not impact portfolio construction.

The Investment Manager believes that a company's ability to sustainably generate returns for investors includes the management of its environmental impact, its consideration of the interests of society and stakeholders, and on the way it is governed. In particular, the Investment Manager believes that ESG can benefit single-stock returns and portfolio risk and return, and that ESG integration can lead to lower risk.

By considering ESG factors, the Investment Manager aims to generate better performance outcomes for the Company's shareholders.

Engagement Activity

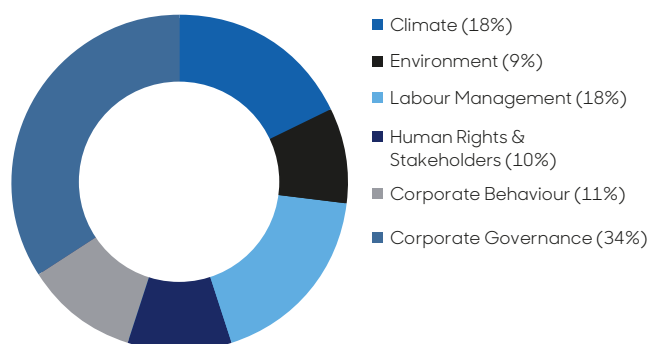
The Investment Manager is committed to regular, ongoing engagement with the companies in which it invests, to help to maintain and enhance their ESG standards.

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

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

The Investment Process continued

The following chart shows the engagements that have included ESG topics. Over the year to 31 December 2024 the Investment Manager met with 19 portfolio companies with ESG among the key issues discussed with them. These are the themes that the Investment Manager has engaged on:



Whilst the Investment Manager focuses on investing in quality companies, the investment team is aware that in some cases Asian companies can lag those in Western Europe in terms of ESG. This is perhaps more true of emerging Asia than developed Asia. In investing across Asia, the Investment Manager focuses on companies and management teams exhibiting desirable behavioural traits and characteristics (for example, a track record of fair treatment of minority shareholders, thoughtful capital allocation and return) rather than a strict focus on structures (for example, relating to board composition). Subsequent to an investment, the Investment Manager engages energetically with companies to improve and enhance ESG, aiming to encourage companies to implement processes and practises that will protect and enhance shareholder value. The Investment Manager has a long track record of such constructive engagement, drawing on investment experiences globally to bring these insights to the Company's holdings.

Our Voting Activity

| Voting Summary | Total |
|---|-------|
| How many meetings were you eligible to vote at? | 60 |
| How many meetings did you vote at? | 60 |
| How many resolutions were you eligible to vote on? | 530 |
| What % of resolutions did you vote on for which you were eligible? | 100% |
| Of the resolutions on which you voted, what % did you vote with management? | 94.7% |
| Of the resolutions on which you voted, what % did you vote against management? | 4.9% |
| Of the resolutions on which you voted, what % did you abstain from voting? | 0.4% |
| In what % of meetings, for which you did vote, did you vote at least once against management? | 26.7% |

Investor Information



Alternative Investment Fund Managers Directive ("Directive")

In accordance with the Alternative Investment Funds (Jersey) Regulations 2012, the Jersey Financial Services Commission ("JFSC") has granted permission for the Company to be marketed within any EU Member State or other EU State to which the Directive applies. The Company's registration certificate with the JFSC is conditioned such that the Company "must comply with the applicable sections of the Codes of Practice for Alternative Investment Funds and AIF Services Business".

abrdn Asia Limited, as the Company's non-EEA alternative investment fund manager, has notified the UK Financial Conduct Authority ("FCA") in accordance with the requirements of the UK National Private Placement Regime of its intention to market the Company (as a non-EEA AIF under the Directive) in the UK.

In addition, in accordance with Article 23 of the Directive and Rule 3.2.2 of the FCA's Fund Sourcebook, abrdn Asia Limited is required to make available certain disclosures for potential investors in the Company. These disclosures, in the form of a Pre-Investment Disclosure Document ("PIDD"), are available on the Company's website. The periodic disclosures required to be made by the Investment Manager under the AIFMD are set out on page 100.

Investor Warning

The Board has been made aware by abrdn that some investors have received telephone calls from people purporting to work for abrdn, or third parties, who have offered to buy their investment company shares. These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares.

These callers do not work for abrdn and any third party making such offers has no link with the abrdn Group. abrdn never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information and end the call. The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams at: [fca.org.uk/consumers/scams](https://www.fca.org.uk/consumers/scams).

Shareholder Enquiries

Registered Shareholders

In the event of queries regarding their holdings of shares, lost certificates, dividend payments, registered details, etc, registered shareholders holding their shares in the Company directly should contact the Registrar, Computershare Investor Services (Jersey) Limited, 13 Castle Street, St Helier, Jersey JE1 1ES (info@computershare.co.je) or Tel: 0370 707 4040. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday.

Changes of address must be notified to the Registrar in writing.

General Enquiries

Any general enquiries about the Company should be directed to the Company Secretary, abrdn Asian Income Fund Limited, c/o JTC Fund Solutions (Jersey) Limited, 28 Esplanade, St Helier, Jersey JE2 3QA or by emailing asian.income@abderdeenplc.com.

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.

Investors can, using certain platforms, arrange to have dividends reinvested or establish regular savings to invest in the shares of the Company. This can also be done under the auspices of an ISA which provides tax efficiencies for private investors in the treatment of income and capital gains.

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](https://www.pimfa.co.uk).

Financial Advisers

To find an adviser who recommends on investment companies, visit [unbiased.co.uk](https://www.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](https://www.fca.org.uk/firms/financial-services-register).

Closure of the abrdn Investment Trust Savings Plans (the "Plans")

In June 2023, abrdn notified investors in the abrdn Investment Trust ISA, Share Plan and Investment Plan for Children that these plans would be closing in December 2023. All investors with a holding or cash balance at that time transferred to Interactive Investor ("ii"). ii communicated with investors in November 2023 to set up account security to ensure that investors could continue to access their holdings via ii following the closure of the Plans.

Please contact ii for any ongoing support with your account on **0345 646 1366**, or **+44 113 346 2309** if you are calling from outside the UK. Lines are open 8.00 a.m. to 5.00 p.m. Monday to Friday. Alternatively you can access the ii website at: [ii.co.uk/abrdn-welcome](https://www.ii.co.uk/abrdn-welcome).

Investor Information continued

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 its 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 on the Company, including the share price, performance information, stock exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly fact sheet is available from its website (asian-income.co.uk). Investors can receive updates via email by registering on the home page of the Company's website. Details are also available at: invtrusts.co.uk.

LinkedIn: [aberdeen Investment Trusts](#)

X: [@aberdeenTrusts](#)

Facebook: [aberdeen Investment Trusts](#)

YouTube: [@aberdeenInvestmentTrusts](#)

Key Information Document ("KID")

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

Suitable for Retail/NMPI Status

The Company's securities are intended for investors primarily in the UK (including retail investors), professionally-advised private clients and institutional investors who are wanting to benefit from the income and growth potential of Asian companies by investment in an investment company 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 FCA'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 FCA's restrictions which apply to NMPIs because the Company qualifies as an investment trust.

The above information on pages 95 and 96 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 Asia or Investment Manager

abrdn Asia Limited – the Company's Investment Manager and wholly-owned subsidiary of abrdn plc.

abrdn Group

The abrdn plc group of companies.

abrdn Investments

abrdn Investments Limited – the Company's UK administrator and wholly-owned subsidiary of abrdn plc.

AIC

The Association of Investment Companies – the AIC is the trade body for closed-ended investment companies (theaic.co.uk).

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 (Undertakings for Collective Investments in Transferable Securities) fund and which is managed/marketed in the EU (and now, separately, the UK). The Company has been designated as an AIF.

Asset Cover

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

Derivative

A derivative is a financial security with a value that is reliant upon or derived from an underlying asset or group of assets. The derivative itself is a contract between two or more parties based upon the asset or assets. Its price is determined by fluctuations in the underlying asset.

Disclosure Guidance and Transparency Rules or DTRs

The DTRs contain requirements for publishing and distributing annual financial reports, half-yearly financial reports and other regulatory statements, and are applicable to investment companies which are listed on the main market of the London Stock Exchange.

Discount

The amount by which the market price per share of an investment company is lower than the NAV per share. The discount is normally expressed as a percentage of the NAV per share.

Dividend Cover

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

Dividend Yield

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

Financial Conduct Authority or FCA

The regulator of financial services firms and financial markets in the UK.

Index

MSCI AC Asia Pacific ex Japan Index (currency adjusted).

JFSC

Jersey Financial Services Commission.

JTC

JTC Fund Solutions (Jersey) Limited – the Company's Jersey-based Administrator and Company Secretary.

Key Information Document or KID

UK regulation previously required the Investment Manager to make a KID available to retail investors prior to them making any investment decision. On 22 November 2024, new legislation came into force in the UK which meant that manufacturers, advisors and sellers of shares in a closed-ended investment company that is UK-listed are no longer required to produce the KID.

However, the Investment Manager continues to publish a modified KID for the Company because a number of platforms/market participants still require prospective investors to confirm that they have read the KID prior to a buy order being placed. The modified KID is available via the Company's website. In addition to the KID, the Investment Manager has developed a Statement of Operating Expenses which is incorporated into the Company's factsheet and can also be found on the Company's website.

Net Asset Value or NAV

The value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The NAV divided by the number of shares in issue (excluding all shares held in treasury) produces the NAV per share.

Net Gearing

Net gearing is calculated by dividing Total Assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage (the AIC basis).

Official List

The FCA's Official List is the definitive record of whether a company's securities are officially listed in the UK.

Ongoing Charges Ratio

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

Glossary of Terms continued

Ordinary Shares

The Company's Ordinary shares give shareholders the entitlement to all of the capital growth in the Company's assets and to all the income from the Company that is resolved to be distributed. The Ordinary shares are in registered form and traded on the London Stock Exchange's Main Market. Subject to the Articles of Association, on a show of hands every registered holder of Ordinary shares (a shareholder) who is present in person (or, being a corporation, by representative) shall have one vote. On a poll every shareholder present in person (or, being a corporation, by representative) or by proxy shall be entitled to one vote in respect of each Ordinary share held. In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members.

PIDD

The pre-investment disclosure document. The disclosures that are required to be made to investors by the Investment Manager and the Company in accordance with the AIFMD.

Premium

The amount by which the market price per share of an investment company exceeds the NAV per share. The premium is normally expressed as a percentage of the NAV per share.

Price/Earnings Ratio

The ratio is calculated by dividing the 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, loan and short-term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.

Total Assets

Total Assets less current liabilities (before deducting prior charges as defined above) and long-term liabilities relating to deferred tax.

Total Return

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, e.g. quarter end, half year or year-end date.

Voting Rights

In accordance with the Articles of Association of the Company, on a show of hands, every member (or duly appointed proxy) present at a general meeting of the Company has one vote; and, on a poll, every member present in person or by proxy shall have one vote for every Ordinary share held.

Winding-Up Entitlements

On a winding up of the Company, any surplus assets available after payment of all debts and satisfaction of all liabilities of the Company shall be applied in repaying the Ordinary shareholders the amounts paid up on such shares. Any surplus shall be divided among the holders of Ordinary shares pari passu according to the amount paid up on such shares respectively.

Share Capital History

Issued Share Capital at 31 December 2024

150,306,492 Ordinary shares of no par value

44,626,897 Ordinary shares of no par value held in treasury

Capital History

20 December 2005

110,000,000 Ordinary shares placed at 100p per share and 22,000,000 Warrants issued at 10p per Warrant. Ordinary share issue applicants were entitled to purchase Warrants on the basis of one Warrant for every 10 Ordinary shares applied for

Year to 31 December 2007

800,000 Ordinary Shares purchased in the market for cancellation

Year to 31 December 2008

760,000 Ordinary shares purchased in the market for cancellation

Year to 31 December 2009

1,350,000 Ordinary shares issued for cash at a premium to the prevailing NAV

Year to 31 December 2010

7,199,001 Ordinary shares issued for cash at a premium to the prevailing NAV. 11 May 2010, 160,999 Warrants exercised resulting in the issue of 160,999 new Ordinary shares. 13 October 2010, 885,062 Warrants exercised resulting in the issue of 885,062 new Ordinary shares

Year to 31 December 2011

6,250,000 Ordinary shares issued for cash at a premium to the prevailing NAV. 16 May 2011, 14,793,009 Warrants exercised resulting in the issue of 14,793,009 new Ordinary shares. 5 October 2011, 5,800 Warrants exercised resulting in the issue of 5,800 new Ordinary shares

Year to 31 December 2012

9,517,388 Ordinary shares issued for cash at a premium to the prevailing NAV. 24 May 2012, 1,766,974 Warrants exercised resulting in the issue of 1,766,974 new Ordinary shares. 15 October 2012, 814,113 Warrants exercised resulting in the issue of 814,113 new Ordinary shares. 16 November 2012, 60,000,000 C shares issued by way of a Placing and Offer for Subscription

Year to 31 December 2013

8,425,000 Ordinary shares issued for cash at a premium to the prevailing NAV. 4 February 2013, 60,000,000 C shares converted into 30,552,000 new Ordinary shares. 17 May 2013, 3,574,043 Warrants exercised resulting in the issue of 3,574,043 new Ordinary shares. Following the exercise no Warrants remain

Year to 31 December 2014

800,000 Ordinary shares issued for cash at a premium to the prevailing NAV

Year to 31 December 2015

500,000 Ordinary shares issued for cash at a premium to the prevailing NAV. 1,907,000 Ordinary shares purchased in the market (of which 1,807,000 were held in treasury and 100,000 were cancelled)

Year to 31 December 2016

6,158,000 Ordinary shares purchased in the market for treasury

Year to 31 December 2017

3,686,168 Ordinary shares purchased in the market for treasury

Year to 31 December 2018

4,651,533 Ordinary shares purchased in the market for treasury

Year to 31 December 2019

1,038,713 Ordinary shares purchased in the market for treasury

Year to 31 December 2020

1,767,492 Ordinary shares purchased in the market for treasury

Year to 31 December 2021

4,265,587 Ordinary shares purchased in the market for treasury

Year to 31 December 2022

1,726,495 Ordinary shares purchased in the market for treasury

Year to 31 December 2023

2,653,694 Ordinary shares purchased in the market for treasury

Year to 31 December 2024

16,872,215 Ordinary shares purchased in the market for treasury.



AIFMD Disclosures (Unaudited)

The Investment Manager, abrdn Asia Limited, 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 [asian-income.co.uk](https://www.asian-income.co.uk). There have been no material changes to the disclosures contained within the PIDD since the last publication in March 2024.

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

- Information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets are subject to special arrangements arising from their illiquid nature.
- The Strategic Report, note 18 to the Financial Statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by the Investment Manager.
- In accordance with the requirements of the AIFMD, the Investment Manager's remuneration policy is available on request (see contact details on page 108) and the remuneration disclosures in respect of the Investment Manager's reporting period for the year ended 31 December 2024 are available on the Company's website.

The above information 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.

Alternative Performance Measures (Unaudited)



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 IFRS and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

Discount to net asset value per Ordinary share

The discount is the amount by which the share price is lower than the net asset value per share, expressed as a percentage of the net asset value.

| | | 2024 | 2023 |
|----------------------------|-----------|--------------|--------|
| NAV per Ordinary share (p) | a | 251.42 | 238.59 |
| Share price (p) | b | 220.00 | 208.00 |
| Discount | $(b-a)/a$ | 12.5% | 12.8% |

Dividend cover

Dividend cover measures the revenue return per share divided by total dividends per share, expressed as a ratio.

| | | 2024 | 2023 |
|--------------------------|-----|-------------|--------|
| Revenue return per share | a | 11.35p | 11.97p |
| Dividends per share | b | 14.43p | 11.75p |
| Dividend cover | a/b | 0.79 | 1.02 |

Dividend yield

The annual dividend per Ordinary share divided by the share price, expressed as a percentage.

| | | 2024 | 2023 |
|--|-----------|-------------|---------|
| Annual dividend per Ordinary share (p) | a | 14.43p | 11.75p |
| Share price (p) | b | 220.00p | 208.00p |
| Dividend yield | $(b-a)/a$ | 6.6% | 5.6% |

Alternative Performance Measures (Unaudited) continued

Net gearing

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

| | | 2024 | 2023 |
|----------------------------------|-------------|-------------|-------------|
| Borrowings (£'000) | a | 32,422 | 32,123 |
| Cash (£'000) | b | 9,349 | 1,560 |
| Amounts due to brokers (£'000) | c | 4,127 | 21 |
| Amounts due from brokers (£'000) | d | - | 756 |
| Shareholders' funds (£'000) | e | 377,895 | 398,868 |
| Net gearing | (a-b+c-d)/e | 7.2% | 7.5% |

Ongoing charges

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC, to include the look-through costs of holding certain investment funds as well as the total of investment management fees and administrative expenses and expressed as a percentage of the average daily net asset values with debt at fair value published throughout the year.

| | 2024 | 2023 |
|---|----------------|----------------|
| Investment management fees (£'000) | 2,368 | 3,041 |
| Administrative expenses (£'000) | 1,049 | 867 |
| Less: non-recurring charges ^A (£'000) | (134) | (18) |
| Ongoing charges (£'000) | 3,283 | 3,890 |
| Average net assets (£'000) | 384,548 | 395,914 |
| Ongoing charges ratio (excluding look-through costs) | 0.85% | 0.98% |
| Look-through costs^B | - | 0.02% |
| Ongoing charges ratio (including look-through costs) | 0.85% | 1.00% |

^A Professional services comprising advisory and legal 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.



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 Reference Index, respectively.

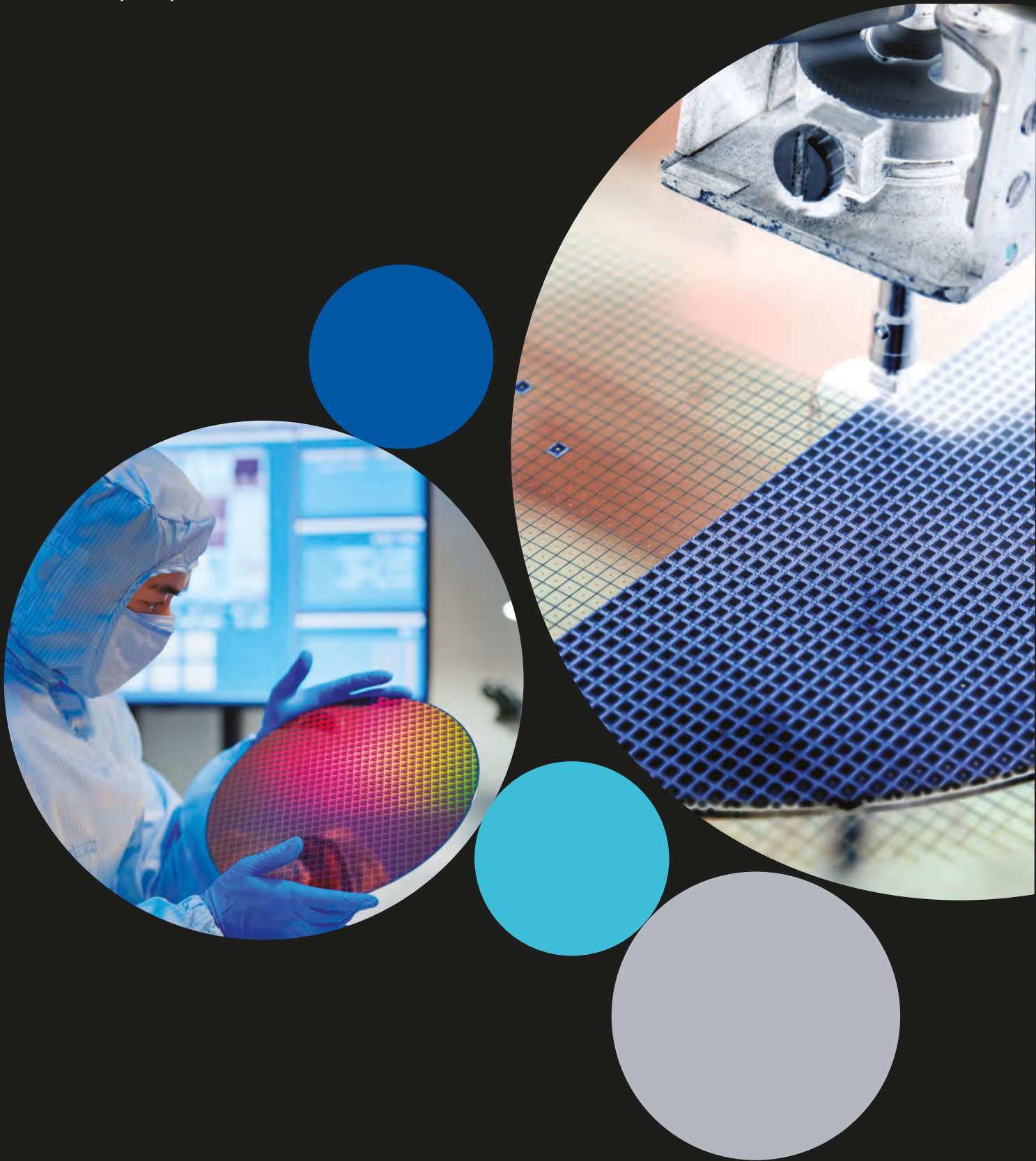
| Year ended 31 December 2024 | | NAV | Share Price |
|------------------------------------|-------------|--------------|--------------|
| Opening at 1 January 2024 | a | 238.59p | 208.00p |
| Closing at 31 December 2024 | b | 251.42p | 220.00p |
| Price movements | $c=(b/a)-1$ | 5.4% | 5.8% |
| Dividend reinvestment ^A | d | 5.4% | 6.2% |
| Total return | c+d | 10.8% | 12.0% |

| Year ended 31 December 2023 | | NAV | Share Price |
|------------------------------------|-------------|-------------|-------------|
| Opening at 1 January 2023 | a | 243.44p | 215.00p |
| Closing at 31 December 2023 | b | 238.59p | 208.00p |
| Price movements | $c=(b/a)-1$ | -2.0% | -3.3% |
| Dividend reinvestment ^A | d | 4.5% | 5.2% |
| Total return | c+d | 2.5% | 1.9% |

^A NAV total return involves investing the net dividend in the NAV of the Company with debt at par 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.

General

The AGM will held at 10.30 a.m. on 8 May 2025
at 18 Bishops Square, London E1 6EG



Notice of Annual General Meeting



Notice is hereby given that the nineteenth Annual General Meeting of abrdn Asian Income Fund Limited will be held at 18 Bishops Square, London E1 6EG at 10.30 a.m. on 8 May 2025 for the following purposes:

Ordinary Business

As ordinary business to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive and approve the Directors' Report and financial statements for the year ended 31 December 2024, together with the Auditor's report thereon.
2. To receive and approve the Directors' Remuneration Report for the year ended 31 December 2024 (other than the Directors' Remuneration Policy).
3. To approve the Company's dividend policy to continue to pay four interim dividends per year.
4. To elect Ms J Routledge as a Director.
5. To re-elect Ms N McCabe as a Director.
6. To re-elect Mr I Cadby as a Director.
7. To re-elect Mr M Florance as a Director.
8. To re-elect Mr R Kirkby as a Director.
9. To re-appoint KPMG Channel Islands Limited as independent Auditor and to authorise the Audit Committee to agree its remuneration.

Special Business

To consider and, if thought fit, pass resolutions 10 and 11 which will both be proposed as special resolutions:

10. THAT the Company be and is hereby generally and unconditionally authorised in accordance with the Articles of Association to make market purchases on a stock exchange of, and to cancel or hold in treasury, ordinary shares of no par value in the capital of the Company ("Ordinary shares"), provided that:
 - (a) the maximum number of Ordinary Shares hereby authorised to be purchased is 14.99% of the issued share capital of the Company as at the date of the passing of this resolution;
 - (b) the maximum price which may be paid for an Ordinary share shall not be more than the higher of (i) an amount equal to 105% of the average of the middle market quotations for an Ordinary share taken from the Daily Official List of the London Stock Exchange for the five business days immediately preceding the day on which the Ordinary share is purchased; and (ii) the higher of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out;

(c) the minimum price which may be paid for an Ordinary share is 1 pence;

(d) the Company be authorised to purchase Ordinary shares out of its unrealised capital or revenue profits less its capital or revenue losses, whether realised or unrealised; and,

(e) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2026 or, if earlier, on the expiry of 18 months from the passing of this resolution, unless such authority is renewed prior to such time.

11. THAT the Directors be empowered to allot Ordinary shares for cash (or sell Ordinary shares held as treasury shares) up to a maximum amount of 14,637,917 Ordinary shares (or 10% of the total number of Ordinary Shares in issue as at the date of the passing of this resolution) as if Article 10 of the Company's Articles of Association did not apply, provided that such disapplication shall expire (unless and to the extent previously revoked, varied or renewed by the Company in general meeting by special resolution) at the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2026 or 18 months from the date of the passing of this resolution but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require Ordinary shares to be issued after such expiry and the Directors of the Company may issue Ordinary shares in pursuance of any such offer or agreement as if such expiry had not occurred.

12. THAT, with effect from 1 June 2025, the change of name of the Company to "Aberdeen Asian Income Fund Limited" be approved.

By order of the Board

JTC Fund Solutions (Jersey) Limited

Company Secretary
25 March 2025

Registered Office:
28 Esplanade
St Helier
Jersey JE2 3QA

Notice of Annual General Meeting continued

Notes

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him/her. A proxy need not be a member of the Company. A form of proxy is enclosed.
2. Instruments of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to The Registrar, abrdn Asian Income Fund Limited, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZZ so as to arrive not less than forty eight hours before the time fixed for the meeting.
3. In accordance with Article 40 of the Companies (Uncertificated Securities) (Jersey) Order 1999, to have the right to attend and vote at the meeting referred to above a member must first have his or her name entered in the Company's register of members by not later than forty eight hours before the time fixed for the meeting (or, in the event that the meeting be adjourned, on the register of members 48 hours before the time of the adjourned meeting). Changes to entries on that register after that time (or, in the event that the meeting is adjourned, on the register of members less than forty eight hours before the time of any adjourned meeting) shall be disregarded in determining the rights of any member to attend and vote at the meeting referred to above.

You may submit your proxy electronically using www.eproxyappointment.com. Shareholders can use this service to vote or appoint a proxy online. The same voting deadline of 48 hours (excluding non-working days) before the time of the meeting applies as if you were using your Personalised Voting Form to vote or appoint a proxy by post to vote for you. Shareholders will need to use the unique PIN which can be found on your personalised Proxy Form. Shareholders should not show this information to anyone unless they wish to give proxy instructions on their behalf.

4. Notes on CREST Voting.
CREST Members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual, which is available to download from the Euroclear website (www.euroclear.com). CREST personal members or other CREST sponsored members, and those CREST members who have appointed voting service provider(s), should contact their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made using the CREST system to be valid, the appropriate CREST message (a "CREST proxy instruction") must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. To appoint a proxy or to give or amend an instruction to a previously appointed proxy via the CREST system, the CREST message must be received by the issuer's agent 3RA50 by 10.30 a.m. on 6 May 2025. For this purpose, the

time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST applications Host) from which the issuer's agent is able to retrieve the message.

6. CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal systems timings and limitations will therefore apply in relation to the input of CREST proxy instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or CREST sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) takes(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by a particular time. For further information on CREST procedures, limitations and system timings please refer to the CREST Manual.
7. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. In any case, a proxy form must be received by the Company's Registrar no later than 10.30 a.m. on 6 May 2025.

Unless otherwise indicated on the Form of Proxy, CREST, Proxymity or any other electronic voting instruction, the proxy will vote as they think fit or, at their discretion, withhold from voting.

8. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 10.30 a.m. on 6 May 2025 in order to be considered valid or, if the meeting is adjourned, by the time which is 48 hours before the time of the adjourned meeting. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy. An electronic proxy appointment via the Proxymity platform may be revoked completely by sending an authenticated message via the platform instructing the removal of your proxy vote.
9. Shareholders are advised that, unless otherwise provided, the telephone numbers and website addresses which may be set out in this Notice or the Form of Proxy are not to be used for the purpose of serving information or documents on the Company including the service of information or documents relating to proceedings at the Company's Annual General Meeting. If the Chairman, as a result of any proxy appointments, is given discretion as to how the votes the subject of those proxies are cast and the voting rights in respect of those discretionary proxies, when added to the interests in the Company's Ordinary shares already held by the Chairman, result in the Chairman holding such number of voting rights that he or she has a notifiable obligation under the Disclosure Guidance and Transparency Rules,



the Chairman will make the necessary notifications to the Company and the Financial Conduct Authority. As a result any person holding 3% or more of the voting rights in the Company who grants the Chairman a discretionary proxy in respect of some or all of those voting rights and so would otherwise have a notification obligation under the Disclosure Guidance and Transparency Rules, need not make a separate notification to the Company and the Financial Conduct Authority.

10. No Director has a service contract with the Company.
11. The Register of Directors' interests is kept by the Company and is available for inspection.
12. As at 25 March 2025 (being the last business day prior to the publication of this notice) the Company's issued Ordinary share capital comprised 146,379,174 Ordinary shares of no par value and 48,554,215 treasury shares. Each Ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 25 March 2025 was 146,379,174.

Corporate Information

Directors

Ian Cadby (Chairman)
Mark Florance (Senior Independent Director and
Audit Committee Chairman)
Robert Kirkby
Nicky McCabe
Krystyna Nowak
Jane Routledge

Investment Manager

abrdn Asia Limited
7 Straits View
#23-04, Marina One East Tower
Singapore 018936

UK Administrator

abrdn Investments Limited
280 Bishopsgate
London EC2M 4AG

Email: asian.income@aberdeeenplc.com

Company Secretary & Registered Office

JTC Fund Solutions (Jersey) Limited
28 Esplanade
St Helier
Jersey JE2 3QA

Tel: 01534 700 000

Registrar

Computershare Investor Services (Jersey) Limited
13 Castle Street
St Helier
Jersey JE1 1ES

Tel: 0370 707 4040
Email: info@computershare.co.je
www.investorcentre.co.uk/je

Website

asian-income.co.uk

Bankers

Bank of Nova Scotia, London Branch
6th Floor
201 Bishopsgate
London EC2M 3NS

Jersey Lawyers

Mourant Ozannes (Jersey) LLP
22 Grenville Street
St Helier
Jersey JE4 8PX

Corporate Broker

Peel Hunt LLP
100 Liverpool Street
London EC2M 2AT

Independent Auditor

KPMG Channel Islands Limited
37 Esplanade
St Helier
Jersey JE4 8WQ

Custodian

BNP Paribas SA, London Branch

Legal Entity Identifier ("LEI")

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91671 (Jersey)

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aberdeeninvestments.com