Asia Dragon Trust plc

Half-Yearly Report 28 February 2023

Capturing growth from world-class Asian companies

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Contents

SCAN ME

Performance Highlights

Net asset value total return [A]

Six months ended 28 February 2023

–7.2%

Year ended 31 August 2022 –8.4%

Share price total return [A]

Six months ended 28 February 2023

–6.5%

Year ended 31 August 2022 –11.8%

Benchmark total return (in sterling terms)

Six months ended 28 February 2023

–5.7%

Year ended 31 August 2022 –7.1%

Discount to net asset value [A]

As at 28 February 2023

12.6%

As at 31 August 2022 13.1%

[A] Considered to be an Alternative Performance Measure as defined on pages 30 and 31.

	6 months ended 28/02/2023	Year ended 28/02/2023	01/09/2021 – 28/02/2023[A]	3 years ended 28/02/2023	5 years ended 28/02/2023	10 years ended 28/02/2023
Net asset value per share[B]	**–7.2%**	–8.0%	–13.9%	+10.0%	+15.4%	+63.6%
Share price[B]	**–6.5%**	–12.0%	–14.1%	+9.3%	+18.0%	+55.9%
MSCI AC Asia (ex Japan) Index (sterling adjusted)	**–5.7%**	–4.8%	–12.4%	+10.7%	+10.4%	+82.0%

[A] The monitoring period for the Company's five year performance related conditional tender commenced on 1 September 2021. See the outside back cover of the Half Yearly Report for further details.
[B] Considered to be an Alternative Performance Measure as defined on page 31.

Financial Calendar and Highlights

Financial Calendar

Financial year end	**31 August 2023**
Announcement of annual results for year ending 31 August 2023	**November 2023**
Annual General Meeting	**December 2023**
Final Ordinary dividend payable for year ending 31 August 2023	**December 2023**

Financial Highlights

	28 February 2023	31 August 2022	% change
Total shareholders' funds (£'000)	**549,954**	614,369	–10.5
Net asset value per share (capital return basis) (p)	**469.24**	513.32	–8.6
Share price (capital return basis) (p)	**410.00**	446.00	–8.1
Discount to net asset value (%) [A]	**12.6**	13.1	
MSCI AC Asia (ex Japan) Index (in sterling terms; capital return basis)	**964.33**	1,030.48	–6.4
Net gearing % [A]	**9.6**	9.0	
Ongoing charges ratio [A]	**0.91**	0.84	

[A] Considered to be an Alternative Performance Measure as defined on pages 30 and 31.

"Many Asian economies have been late in reopening after the easing of Covid-19 restrictions. We are also seeing continued policy support in the region. These positive moves are helping to bolster a recovery in consumer spending and your Manager expects an improved earnings outlook for companies exposed to this domestic demand theme."

James Will, Chairman

Capturing growth from world-class Asian companies

As a long-term, cornerstone investment in Asian equity markets, Asia Dragon Trust seeks to provide investors with access to high quality companies - companies we believe to be attractively valued with effective management, good cash flows and healthy balance sheets.

Leading: in a market of diverse corporate quality, our Manager's intensive approach seeks to bring together world-class, quality Asian companies that are transforming their sector and setting governance standards.

Long term: as one of the largest Asian investment trusts, our size and extensive Manager experience make Asia Dragon a solid cornerstone investment looking to drive steady, long-term growth from a volatile but unmissable region.

Local: at the heart of Asia for over 30 years, our Manager's broad and deep in-country presence gives us regional insight from a global perspective and outstanding corporate access across this complex, wide-ranging and fast-changing market.

Chairman's Statement

Results

The six months to 28 February 2023 was another challenging period for stock markets, including those in Asia. Amid the on-going Ukraine war, rising inflation led to fears that central banks would continue to raise interest rates and a global recession could soon be at hand. The end of China's strict 'zero-Covid' policy raised hopes of the start of an economic recovery and Asia continued to be supported by strong, long-term structural drivers. As a result Asian equity markets recovered some lost ground in the second part of the period.

Against this backdrop, the Company's net asset value ("NAV") fell by 7.2% over the period, underperforming the MSCI All-Country Asia ex Japan Index (the "Benchmark"), which declined by 5.7% (both in sterling and total return terms). The share price decreased by 6.5% as the discount to NAV per share narrowed from 13.1% at the end of August 2022 to 12.6%.

Market Review

The review period saw the dominance of a few key overarching global themes which held sway over market sentiment. Investors were worried not just about continued tightening of monetary policy across most developed economies, but also its duration, with concerns that major central banks would keep interest rates higher, and for longer, to combat persistently high inflation, thereby potentially triggering a global recession. In the US, for instance, although the annual rate of inflation began to abate initially, subsequent buoyant US economic data signalled a potential delay in loosening monetary policy. The US 10-year Treasury yield touched almost 4% in February, not far off its near 14-year high of 4.3%, recorded last October.

Developments in China also featured prominently. As the 20th Communist Party Congress drew to a close in late October, the increased centralisation of power caused some market unease. Investor sentiment improved from November, however, as the government eased stringent Covid-19 curbs and rolled out economic support measures. Aside from buoying up Chinese equity prices, China's faster-than-expected reopening in December also lifted the export-oriented markets of Taiwan and South Korea.

Performance and Portfolio Activity

The main reason for underperformance in the period was the Company's exposure to China and Vietnam. In China, this was mainly a result of holdings within the internet sector, which have been particularly volatile during the review period.

When it comes to investing in companies, environmental, social and governance (ESG) criteria are deeply embedded in your Manager's investment process. As a result, the Company had no exposure to India-based Adani Group's stable of listed companies which were sold off heavily on the back of a US short-seller's report alleging fraud at the conglomerate. Your Manager has avoided Adani entities on governance concerns and the lack of exposure contributed materially to performance in the current period.

Revenue Account

For the six months ended 28 February 2023, the revenue account recorded an increased return on ordinary activities after taxation of £1.5m, representing 1.29p per share, compared with a return of £1.2m for the six months to 28 February 2022 (0.97p per share). The Company does not pay an interim dividend.

Gearing

The Board believes that the sensible use of modest financial gearing should enhance returns to shareholders over the longer term. The Company has two loan facilities which have been provided by The Royal Bank of Scotland International; the first is a £25 million fixed rate loan which has been drawn in full and fixed for two years to July 2024 at an all-in rate of 3.5575% and the second is a £35 million multi-currency revolving credit facility under which £30m had been drawn down at the period end. At 28 February 2023 the net gearing position was 9.6%, compared to 9.0% at the end of August 2022. At the time of writing net gearing now stands at 8.1%.

Discount and Share Buybacks

The discount level of the Company's shares is closely monitored by the Board and Investment Manager and the Board seeks to manage the discount in line with the peer group. During the six months to 28 February 2023, 2.8 million shares were bought back at a discount for treasury. Since 28 February 2023, a further 1.0 million shares have been bought back into treasury. Shares held in treasury can be reissued at a future date, at a premium to NAV per share, should a suitable opportunity arise.

Outlook

Within a global context, several themes continue to favour Asia as a region. Compared to much of the developed world, many Asian economies have been late in reopening after the easing of Covid-19 restrictions. We are also seeing continued policy support in the region. These positive moves are helping to bolster a recovery in consumer spending and your Manager expects an improved earnings outlook for companies exposed to this domestic demand theme. Meanwhile, both current account and fiscal discipline have improved in Asia since the 1997 Asian Financial Crisis which has increased the region's resilience to economic downturns.

James Will
Chairman
26 April 2023

Overview
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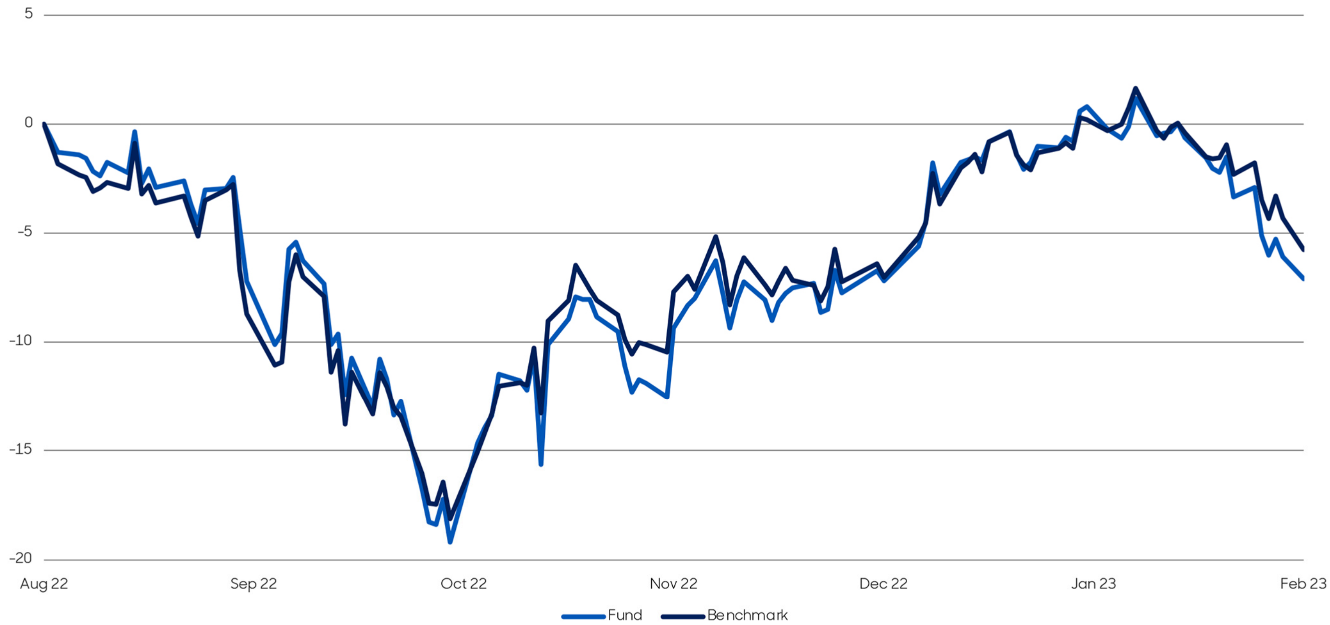
Investment Manager's Review

Performance

The benchmark index fell by 5.7% during the period under review; this disguises the volatility during the period, as shown in the chart below:

Total returns in GBP terms (%)



Benchmark: MSCI AC Asia ex Japan
Costs may increase or decrease as a result of currency and exchange rate fluctuations. This may impact what you might get back. Returns may vary due to currency fluctuation
Source: abrdn, Bloomberg, 28 February 2023

During the period the Company's NAV fell by 7.2%. This underperformance was mainly due to our holdings in China and Vietnam.

In China, the volatility within the internet sector provided buying opportunities for us and we selectively added to our holdings in the period where we believe that the fundamentals continue to remain supportive and the valuations attractive. Moreover, inflation is less of an issue in China and the rest of Asia than it is elsewhere in the world, allowing the People's Bank of China to cut interest rates, whereas other major central banks outside Asia are still increasing them. Overall, we remain positive on China's longer-term growth potential, especially around the themes of aspirational spending, digitalisation, health, renewable energy, and wealth.

In Vietnam, although the Manager had reduced the Company's exposure, it is still a non-benchmark position, and this proved costly during the period due to concerns over the health of its banking and real estate sectors. That said, we believe that the fundamentals remain largely intact and we added a new holding in the period.

Portfolio Themes

We continue to believe that rising affluence in Asia will underpin strong growth in premium consumption in certain areas, including financial services, personal-care products and food and beverages. In particular, the portfolio has a sizeable exposure to the financial sector. For instance, we hold Hong Kong-based **AIA Group**, one of the biggest insurance companies in Asia, where investors welcomed the potential for the company to kickstart its performance with growth in China, a key market for the group. In addition, we continue to favour well-capitalised banks with strong retail deposit franchises. Examples of these include **OCBC** and **DBS**, in Singapore, and **Bank of Central Asia**, in Indonesia.

The second theme that we seek to benefit from is the widespread adoption of technology and the growing integration of Asian economies. We believe that this should result in a bright future for companies providing gaming, internet, fintech and technology services, such as cloud computing. The current macro environment has hurt the technology sector, although we are seeing a recovery in demand in some areas, such as the consumer sector. We therefore prefer to gain exposure to the sector through quality companies, such as **Tencent** and **Alibaba** in China, **TSMC** in Taiwan and **Samsung Electronics** in South Korea. Meanwhile, Asian supply chains are well-positioned for long-term structural growth related to the rollout of 5G, big data and digital interconnectivity. Taiwan-based **Andes Technology**, which designs and licenses CPU processor cores for use in electronic devices, is a beneficiary of these trends.

The other major theme we seek to benefit from is increasing commitment by policymakers, globally, to a greener and lower carbon future. In this regard Asia is leading the way. Companies exposed to renewable energy, batteries, electric vehicles, related infrastructure, and environmental management should all benefit significantly. Achieving grid parity – where the cost of energy from renewables becomes as cost-effective as that for energy sourced from fossil fuels – will be a key event on the path towards decarbonising the world and moving closer to achieving net zero by 2050. Examples of green energy names held in the portfolio include **Sungrow Power Supply**, which provides solutions for solar power projects, and **Longi Green Energy Technology**, a manufacturer of high-efficiency solar products.

Notable Holdings

A number of the above-mentioned companies were among the key positive contributors to performance but, in China, a key stock laggard during the period was **Yunnan Energy**. As a supplier of advanced materials to electric vehicle battery manufacturers, the company very much matches the above-mentioned theme but its share price weakened substantially amid a probe into the chairman and vice chairman. Following engagement with management, although still recognising the company's strength in the overall battery supply chain, we chose to exit the stock. Other holdings in **JD.com**, **GDS** and **Contemporary Amperex Technology** retreated on profit-taking following a strong rally previously. In Vietnam, our holding in **Mobileworld** was indirectly impacted by the aforementioned concerns regarding the real estate and banking sectors.

During the half year, we sold out of positions in India-based global IT services provider **Infosys**, Hong Kong-based power tools manufacturer **Techtronic Industries**, and Indian logistics company **Delhivery**, all in view of better opportunities elsewhere.

New Holdings

FPT is a Vietnam-based diversified technology group with a fast-growing software outsourcing business. **FPT** also owns a telecommunications unit and an electronics retailing company, as well as having interests in other sectors, such as education. We are positive for the profitability prospects of **FPT's** various segments, especially given the company's entrepreneurial management.

Autohome is the dominant online destination for automobile consumers in China. It delivers comprehensive, independent and interactive content to automobile buyers and owners. The core business benefits from the powerful network effect characteristic of a classifieds business. In this instance, leadership in content drives high quality user traffic, which benefits advertising and, in turn, leads to the generation of higher revenues.

Aier Eye Hospital Group is China's largest domestic private eyecare hospital chain, with demand supported by the ageing population, rising living standards and government policies to improve the accessibility and standards of drugs and healthcare.

Investment Manager's Review

Continued

Outlook

China's faster-than-expected reopening post-Covid bodes well for the Asian region's prospects in 2023. Global geopolitical risks remain while economic risks appear to be more focussed upon Europe and the US. That said, despite earlier fears, investors now expect the US Fed's monetary policy tightening cycle to come to an end later this year. Moreover, Asia is in a demonstrably better position than developed economies in the West, with relatively strong consumer and corporate balance sheets, and more solid government finances in most of the region.

At the company level, it now appears that earnings downgrades in the Asia ex-Japan region – particularly in the technology sector – are close to bottoming. Just as Asia was the first region to see earnings forecasts being revised lower, it is likely to be one of the first to come out of the downgrade cycle.

We believe that we have positioned the portfolio to weather near-term risks, while keeping in mind the strong long-term secular trends across Asia. The focus remains on quality companies with sustainable business models, robust finances and access to structural growth drivers. We continue to favour fundamental themes like consumption, technology and green energy, with the firm belief that these will deliver positive long-term results for shareholders.

Adrian Lim and Pruksa Iamthongthong
abrdn (Asia) Limited
26 April 2023

Interim Management Report and Directors' Responsibility Statement

Principal Risks and Uncertainties

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial position, performance and prospects. The Board has in place a robust process to identify, assess and monitor the principal risks and uncertainties facing the Company and to identify and evaluate newly emerging risks. A summary of the principal risks and uncertainties facing the Company is summarised below under the following headings:

- Major Market Event or Geo-Political Risk
- Unacceptable Discount Volatility
- Investment Performance
- Concentration Risk
- Resource
- Operational Risk
- Gearing
- Regulatory

Details of these risks and a description of the mitigating actions which the Company has taken are provided in detail on pages 16 to 18 of the 2022 Annual Report.

In addition to these risks, there are also a large number of international political and economic uncertainties which could have an impact on the performance of Asian markets and the Board is monitoring closely the current geo-political risks, market volatility and uncertainty associated with Russia's invasion of Ukraine as well as the residual effects of the Covid-19 pandemic.

The Board is also mindful of the risks arising from emerging environmental, social and governance ("ESG") challenges and climate change. The Board continues to monitor, through the Investment Manager, the potential risk that investee companies may fail to keep pace with ESG and climate change developments.

In the view of the Board, in all other respects, the principal risks and uncertainties have not changed materially during the six months to 28 February 2023. The Board continues to monitor the risk environment and does not expect the risks facing the Company to change materially in the second half of the financial year ending 31 August 2023.

Going Concern

The Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist substantially of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale.

The Company has a two year fixed rate loan and a two year revolving credit facility which both expire in July 2024. The Board has set limits for borrowing and regularly monitors the Company's covenant compliance and gearing levels and is satisfied that there is sufficient headroom in place and flexibility if required. The Board will start to explore replacement options in advance of the expiry of the facilities and, should the Board decide not to renew the facilities, any outstanding borrowing would be repaid through the proceeds of equity sales as required.

The Board has considered the residual impact of Covid-19 on the Company's operational resources and existence. The Company's portfolio comprises entirely "Level 1" assets (listed on a recognisable exchange and realisable within a short timescale), and the Company employs a moderate level of gearing. Furthermore, the Investment Manager's systems as well as those of the other key third party service providers have proved effective throughout the course of the pandemic.

The Directors are mindful of the principal risks and uncertainties disclosed above and, having reviewed forecasts detailing revenue and liabilities, they believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and for at least twelve months from the date of this Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Interim Management Report and Directors' Responsibility Statement

Continued

Related Party Disclosures and Transactions with the Alternative Investment Fund Manager and Investment Manager

abrdn Fund Managers Limited ("aFML") has been appointed as the Company's Alternative Investment Fund Manager ("AIFM").

aFML has (with the Company's consent) delegated certain portfolio and risk management services, and other ancillary services, to abrdn Investments Limited and abrdn Asia Limited which are regarded as related parties under the UKLA's Listing Rules. Details of the fees payable to ASFML are set out in note 13 to the condensed financial statements.

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

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

The Directors confirm to the best of their knowledge that:

- the condensed set of financial statements contained within the Half-Yearly financial report has been prepared in accordance with FRS 104 Interim Financial Reporting and give a true and fair view of the assets, liabilities, financial position and return of the Company for the period ended 28 February 2023; and;
- the Interim Management Report, together with the Chairman's Statement includes a fair review of the information required by:

  a) DTR 4.2.7R of the Disclosure Guidance and Transparency Rules, being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements; and a description of the principal risks and uncertainties for the remaining six months of the year; and

  b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so.

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

For Asia Dragon Trust plc,
James Will
Chairman
26 April 2023

Ten Largest Investments

As at 28 February 2023

Taiwan Semiconductor Manufacturing Company

As the world's largest pure-play semiconductor manufacturer, TSMC provides a full range of 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.

Tencent Holdings

The internet giant continues to strengthen its ecosystem and we see great potential in its ability to balance its multiple revenue streams and monetise its social media and payment platforms whilst navigating the regulatory landscape.

AIA Group

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

Samsung Electronics (Pref)

One of the global leaders in the memory chips segment, and a major player in smartphones and display panels as well. It has a vertically integrated business model and robust balance sheet, alongside good free cash flow generation.

Housing Development Finance Corp

A steady, well-managed financial services conglomerate with leading positions in mortgage finance, retail banking, life insurance and asset management, supported by a broad distribution network, efficient cost structure and balance sheet quality.

Alibaba Group

The Chinese internet group is a leading global e-commerce company with many impressive businesses, including the Taobao and Tmall online platforms in China. It also has interests in logistics, media as well as cloud computing platforms and payments.

DBS Group

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

Bank Central Asia

Among the largest local non state owned banks in Indonesia, it is well capitalised and has a big and stable base of low-cost deposits that funds its lending, while asset quality has remained solid.

Kweichow Moutai 'A'

Kweichow Moutai is a leading hard liquor (baiju) producer that boasts a dominant brand and a cash generative business. Its brand value stems from a long history and its rich heritage, which account for its wide domestic business moat.

China Tourism Group Duty Free Corp [A]

China Tourism Group is the largest duty-free operator in China and a good proxy for the rising demand for duty-free cosmetics and skincare and outbound travel on the mainland.

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Investment Portfolio

At 28 February 2023

Company	Industry	Country	Valuation £'000	Total assets %
Taiwan Semiconductor Manufacturing Company	Semiconductors & Semiconductor Equipment	Taiwan	55,530	9.2
Tencent Holdings	Interactive Media & Services	China	37,039	6.1
AIA Group	Insurance	Hong Kong	36,208	6.0
Samsung Electronics (Pref)	Technology Hardware Storage & Peripherals	South Korea	33,875	5.6
Housing Development Finance Corp	Diversified Financial Services	India	24,165	4.0
Alibaba Group	Internet & Direct Marketing Retail	China	21,807	3.6
DBS Group	Banks	Singapore	16,444	2.7
Bank Central Asia	Banks	Indonesia	16,017	2.6
Kweichow Moutai 'A'	Beverages	China	14,862	2.4
China Tourism Group Duty Free Corp [A]	Speciality Retail	China	12,451	2.1
Top ten investments			**268,398**	**44.3**
Oversea-Chinese Banking Corporation	Banks	Singapore	12,422	2.0
SBI Life Insurance	Insurance	India	11,579	1.9
LG Chem	Chemicals	South Korea	10,622	1.8
Budweiser Brewing	Beverages	Hong Kong	10,273	1.7
Hon Hai Precision Industry	Electronic Equipment, Instruments & Components	Taiwan	10,131	1.7
JD.com Inc – Class A	Internet & Direct Marketing Retail	China	9,919	1.6
Meituan-Dianping – Class B	Internet & Direct Marketing Retail	China	9,815	1.6
Power Grid Corporation	Electric Utilities	India	9,741	1.6
Kasikornbank 'F'	Banks	Thailand	9,717	1.6
Maruti Suzuki India	Automobiles	India	9,461	1.6
Twenty largest investments			**372,078**	**61.4**

At 28 February 2023

Company	Industry	Country	Valuation £'000	Total assets %
Hong Kong Exchanges & Clearing	Capital Markets	Hong Kong	9,180	1.5
Ayala Land	Real Estate Management & Development	Philippines	9,071	1.5
Longi Green Energy Technology – A	Semiconductors & Semiconductor Equipment	China	8,911	1.5
China Merchants Bank [A]	Banks	China	8,871	1.5
Kotak Mahindra Bank	Banks	India	8,280	1.3
Hindustan Unilever	Personal Products	India	8,057	1.3
ShenZhen Mindray Bio-Medical Electronics – A	Health Care Equipment & Supplies	China	7,997	1.3
China Resources Land	Real Estate Management & Development	China	7,397	1.2
Astra International	Automobiles	Indonesia	7,259	1.2
Contemporary Amperex Technology – A	Electrical Equipment	China	7,139	1.2
Thirty largest investments			**454,240**	**74.9**
Bank of Philippine Islands	Banks	Philippines	6,674	1.1
Delta Electronic	Electronic Equipment, Instruments & Components	Taiwan	6,633	1.1
Ultratech Cement	Construction Materials	India	6,621	1.1
Silergy Corp	Semiconductors & Semiconductor Equipment	Taiwan	6,563	1.1
Tata Consultancy Services	IT Services	India	6,425	1.1
FPT Corporation	IT Services	Vietnam	6,268	1.0
Wuxi Biologics (Cayman)	Life Sciences Tools & Services	China	6,245	1.0
Aier Eye Hospital Group – A	Health Care Equipment & Supplies	China	6,194	1.0
Sungrow Power Supply Co – A	Electrical Equipment	China	6,108	1.0
Chacha Food – A	Food Products	China	6,093	1.0
Forty largest investments			**518,064**	**85.4**

Investment Portfolio

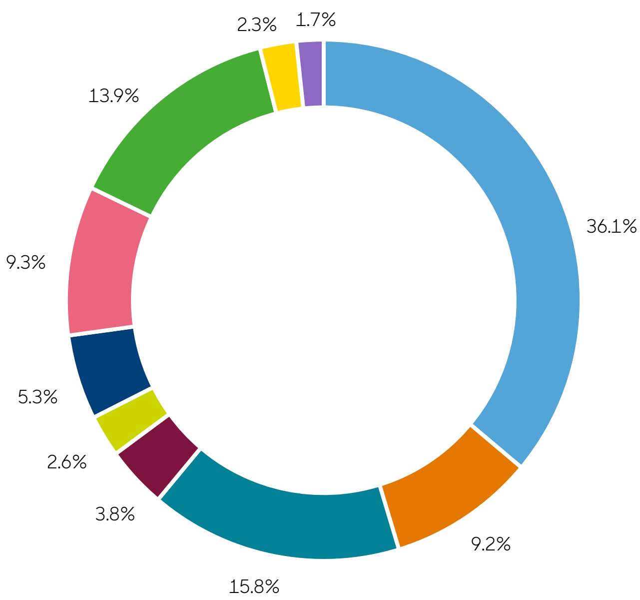
Continued

At 28 February 2023

Company	Industry	Country	Valuation £'000	Total assets %
Samsung Biologics	Life Sciences Tools & Services	South Korea	6,086	1.0
Yonyou Network Technology – A	Software	China	5,948	1.0
Glodon Co -A	Software	China	5,910	1.0
Kakao Corp	Interactive Media & Services	South Korea	5,570	0.9
Zhongsheng Group Holdings	Speciality Retail	China	5,417	0.9
Andes Technology	Semiconductors & Semiconductor Equipment	Taiwan	5,405	0.9
GDS Holdings Class A	IT Services	China	5,057	0.8
Tongcheng Travel Holdings	Hotels, Restaurants & Leisure	China	4,857	0.8
Info Edge (India)	Interactive Media & Services	India	4,825	0.8
ShenZhen Inovance Technology – A	Machinery	China	4,502	0.8
Fifty largest investments			**571,641**	**94.3**
China Vanke 'H'	Real Estate Management & Development	China	4,316	0.7
Siam Cement 'F'	Construction Materials	Thailand	4,174	0.7
PB Fintech	Insurance	India	4,115	0.7
Autohome – ADR	Software	China	4,087	0.7
Mobile World Investment Corporation	Speciality Retail	Vietnam	4,022	0.7
Hangzhou Tigermed Consulting Co[A]	Life Sciences Tools & Services	China	3,890	0.6
Nari Technology – A	Electrical Equipment	China	3,862	0.6
Singapore Telecommunications	Diversified Telecommunication	Singapore	3,042	0.5
FSN E-Commerce Ventures	Internet & Direct Marketing Retail	India	2,717	0.4
			605,866	**99.9**
Net current assets[B]			548	0.1
Total assets less current liabilities[B]			**606,414**	**100.0**

[A] Holding includes investment in both 'A' and 'H' shares.
[B] Excluding bank loan of £30,000,000
Note: Unless otherwise stated, foreign stock is held and all investments are equity holdings.

Investment Portfolio by Country

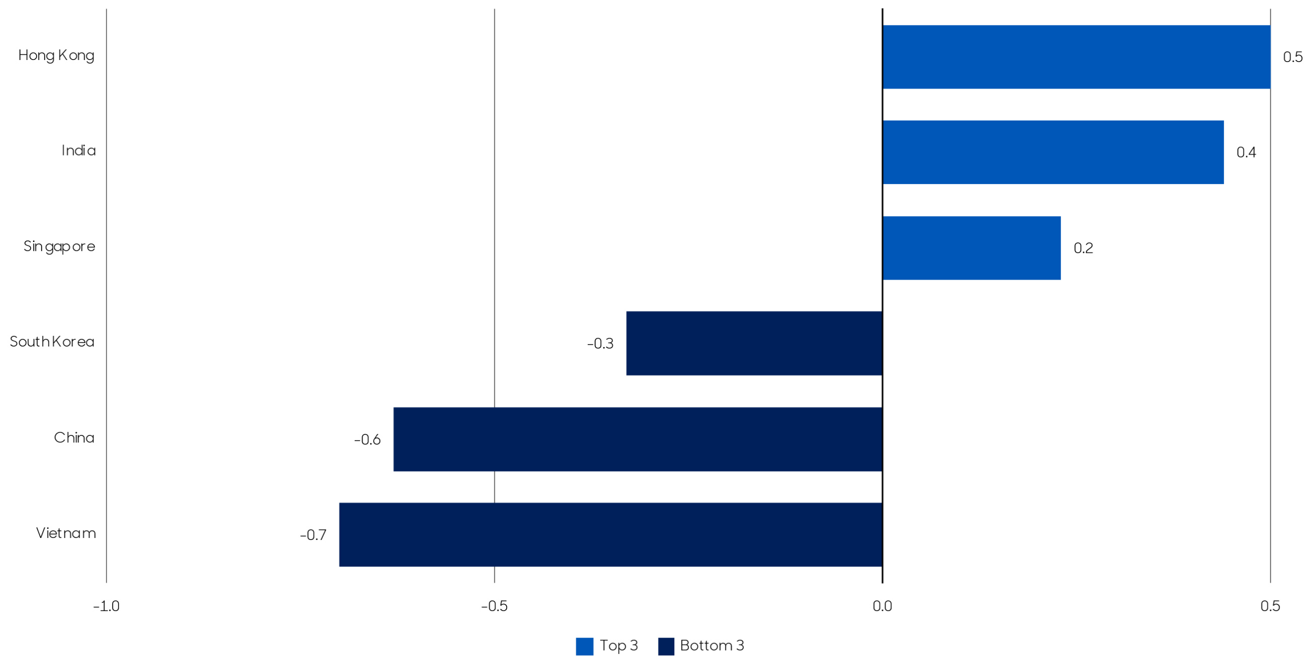


Country allocation

- China - 36.1%
- Hong Kong - 9.2%
- India - 15.8%
- Indonesia - 3.8%
- Philippines - 2.6%
- Singapore - 5.3%
- South Korea - 9.3%
- Taiwan - 13.9%
- Thailand - 2.3%
- Vietnam - 1.7%

Key Performance Drivers by Country

Country attribution (%)



Source: abrdn, Citi, Factset, GBP, 6 months to 28 February 2023

Our Investment Manager's Case Studies

TSMC (Taiwan)

Everyone's foundry: TSMC has become an integral part of the global supply chain as megatrends like artificial intelligence and the internet of things are driving demand for semiconductors.

What does the company do?

Taiwan Semiconductor Manufacturing Company (TSMC) makes integrated circuits that are used in a variety of products today—from laptops and smartphones to cars, industrial equipment and high performance computing. Founded in 1987, the company pioneered the pure-play foundry business model where instead of designing or making semiconductor chips under its own brand name, it focuses exclusively on manufacturing its customers' products.

Why do we like the investment?

Semiconductors is a structurally attractive industry. By 2030, it is expected to grow to US$1 trillion —averaging from 6% to 8% growth a year—driven by megatrends such as artificial intelligence and the Internet of Things, which require high-power computing. We view TSMC as a high quality catch-all play of this trend, underpinned by its positioning as "everyone's foundry."

TSMC has a strong financial profile. The strength of its balance sheet has allowed it to invest billions of dollars a year to stay ahead of global peers on the technology curve and in terms of production capacity. By doing so, the company is able to manufacture the most advanced semiconductors for its customers, making it a global leader in an industry where cutting-edge tech raises the barrier to compete. In fact, we have seen several of TSMC's competitors dropping off over time in the race as the size of semiconductors shrank.

Beyond manufacturing excellence, TSMC's market-leading position in the foundry business and its long experience in the field gives it tremendous scale advantage, allowing it to operate at the best yield and utilisation levels in the industry. That translates to the lowest cost among competitors. The strength of its customer relationships is also difficult to replicate. We also like the fact that TSMC has a strong management team with an excellent track record.

On the geopolitical front, the impact from the fallout between the US and China is relatively less severe on TSMC. Given its global technological leadership among foundries, there are currently no alternatives to TSMC if countries want to invest in their own semiconductor capabilities. Evidently, we have seen the company leading the charge in establishing new cutting-edge factories in the US, European Union and Japan. We continue to closely monitor the evolving geopolitical dynamics between China and the US.

What is our key area of engagement?

We have engaged TSMC in areas of sustainability, including water conservation as well as human capital development. Going forward, engagements will focus on the company's progress on producing more energy efficient products as well as its commitment to reach Net Zero emissions by 2050.

What is the result?

TSMC is one of the most advanced companies in Taiwan on the ESG front, and is rated AAA by MSCI. The bulk of the company's semiconductor manufacturing facilities in Taiwan had high exposure to water-related risks in 2021 due to a severe drought, which prompted the government to place restrictions on the supply and usage of water by industrial companies. Semiconductor manufacturing is a water-intensive process, hence water usage and conservation is a material ESG risk. As a result, TSMC took strides towards sustainability by investing in water conservation and recycling measures—it set a 2030 target of reducing water usage per unit to 30% below 2010 levels. Further, the company is working to develop water reclamation technologies as well as using reclaimed water during manufacturing. TSMC aims to increase more than 60% replacement of water resources with reclaimed water in 2030.

TSMC also leads the domestic industry in corporate governance and corporate behaviour practices. Most directors on the TSMC board are independent, while the company leads peers in initiatives such as employee development programs. While we do think highly of its ability in human capital management, there is a risk that their edge—in sourcing, training and retention—may erode in view of TSMC shifting some of its manufacturing capabilities to the US, where the market for talent is more competitive and the work culture differs from Asia. The management is aware of this risk and remains focused on getting this right and it remains an area we will continue to monitor.

TSMC is also a full member of the Responsible Business Alliance, which is dedicated to electronics supply chain sustainability. It conducts environmental, safety and health audits to suppliers' manufacturing sites and routinely encourages them to implement measures to save energy, reduce carbon emissions, conserve water and reduce waste. In 2020, TSMC was also the first semiconductor manufacturer worldwide to join RE100, committing to source 100% renewable electrically globally—an important step given the company's net zero target.

Our Investment Manager's Case Studies

Continued

FPT Corp (Vietnam)

Riding the digital wave: FPT aims to be in the top 50 global leading digital transformation (DX) solutions and services providers by 2030.

What does the company do?

FPT Corp is the largest technology company in Vietnam with significant market share in each of its three core businesses: technology (software outsourcing, systems integration and IT services), education (K-12, vocational, post-secondary diplomas and degrees), and telecommunications (fixed-line, PayTV and broadband internet services).

Why do we like the investment?

In our search for potential stock ideas, we cast a wide net that encompasses non-traditional markets and companies. One such market is Vietnam, where structural trends of increasing urbanisation and income levels are becoming central in driving growth. We have spent a lot of time over the years gaining comfort with Vietnam, and recognise its growing importance in global supply chains and the positive direction of the government to open up capital markets.

During this journey, we have been impressed by FPT Corp, which has demonstrated entrepreneurship and competence in this frontier market. Its revenue base is diversified and the industry backdrop is healthy. The company has a solid balance sheet that should support its pursuit of growth opportunities. We also rate its management highly because of its good execution track record and transparency with investors.

On the tech front, when it comes to its growth strategy, FPT aims to be in the top 50 global leading digital transformation (DX) solutions and services providers by 2030. It is seeing strong growth in DX revenues, which is already accounting for a significant portion of its overall outsourcing revenues. The industry is attractive with structural growth tailwinds and a huge market. FPT believes that growth in this area will ride on new technologies, such as cloud, AI, big data analytics and robotic process automation.

Across its businesses, the education segment is the most profitable and management expects this division to continue to deliver consistently strong revenue growth over the coming years. This will be driven by rising demand from growing middle-income students for quality education. Elsewhere, its telecom business is stable and defensive, supported by PayTV growth. This should provide a good buffer in times of weak macroeconomic conditions.

What is our key area of engagement?

We continue to engage FPT on better disclosure around data privacy and the setting of targets to track its progress around its carbon footprint and renewable energy mix.

What is the result?

FPT has one of the most developed board structures in Vietnam. Its seven-member board has three independent directors. The stakes of inside shareholders and major shareholders are around 18%. In response to shareholders' feedback, FPT changed auditor to PwC from Deloitte in 2021. The company also provides business updates to its investors on a monthly basis.

Meanwhile, cybersecurity and talent management are key areas of focus. We think the company has done a good job in managing employee welfare so far. FPT also maintains good diversity in its workforce. Female employees accounted for 37.2% of its overall headcount in 2021 versus 36.1% in 2017. Separately, disclosures about data privacy and cybersecurity are limited, and we continue to engage with the company on better transparency.

FPT's environmental record is clean. FPT has fully complied with waste and emissions management regulations, with no related violations recorded in the 30 years since its establishment. However, FPT has not set any trackable carbon emissions reduction or renewable energy targets. Instead, it discloses broad-based statements for its environmental initiatives, such as usage of smart energy and water control systems, timely maintenance to avoid energy losses and increasing the use of natural energy and water sources. We are also urging the company to track its carbon footprint better.

While MSCI has yet to rate FPT Corp for its ESG standards, overall we regard the company as a good ESG stewardship example in Vietnam.

Condensed Statement of Comprehensive Income (unaudited)

		Six months ended 28 February 2023			Six months ended 28 February 2022		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments		–	(44,882)	(44,882)	–	(53,526)	(53,526)
Net currency losses		–	(855)	(855)	–	(74)	(74)
Income	2	3,218	–	3,218	2,689	–	2,689
Investment management fee		(500)	(1,501)	(2,001)	(565)	(1,697)	(2,262)
Administrative expenses		(562)	–	(562)	(508)	–	(508)
Net return/(loss) before finance costs and taxation		2,156	(47,238)	(45,082)	1,616	(55,297)	(53,681)
Interest payable and similar charges		(263)	(791)	(1,054)	(101)	(302)	(403)
Return/(loss) before taxation		1,893	(48,029)	(46,136)	1,515	(55,599)	(54,084)
Taxation	3	(369)	306	(63)	(317)	722	405
Return/(loss) after taxation		1,524	(47,723)	(46,199)	1,198	(54,877)	(53,679)
Return per Ordinary share (pence)	4	1.29	(40.27)	(38.98)	0.97	(44.43)	(43.46)

The total columns of this statement represent the profit and loss account of the Company.

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

The accompanying notes on pages 24 to 29 are an integral part of the condensed financial statements.

Condensed Statement of Financial Position (unaudited)

	Notes	As at 28 February 2023 £'000	As at 31 August 2022 £'000
Non-current assets			
Investments at fair value through profit or loss		**605,866**	672,379
Current assets			
Debtors and prepayments		**1,191**	2,693
Cash and cash equivalents		**2,957**	5,094
		4,148	7,787
Creditors: amounts falling due within one year			
Bank loan	10	**(30,000)**	(35,000)
Other creditors		**(3,600)**	(3,413)
		(33,600)	(38,413)
Net current liabilities		**(29,452)**	(30,626)
Creditors: amounts falling due after more than one year			
Bank loan	10	**(24,987)**	(24,983)
Deferred tax liability on Indian capital gains	3	**(1,473)**	(2,401)
		(26,460)	(27,384)
Net assets		**549,954**	614,369
Share capital and reserves			
Called-up share capital		**31,922**	31,922
Share premium account		**60,416**	60,416
Capital redemption reserve		**28,154**	28,154
Capital reserve	6	**395,060**	453,273
Revenue reserve		**34,402**	40,604
Equity shareholders' funds		**549,954**	614,369
Net asset value per Ordinary share (pence)	7	**469.24**	513.32

The accompanying notes on pages 24 to 29 are an integral part of the condensed financial statements.

Condensed Statement of Changes in Equity (unaudited)

Six months ended 28 February 2023

	Note	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 September 2022		31,922	60,416	28,154	453,273	40,604	614,369
(Loss)/return after taxation		–	–	–	(47,723)	1,524	(46,199)
Dividend paid (note 8)	8	–	–	–	–	(7,726)	(7,726)
Buyback of Ordinary shares for treasury		–	–	–	(10,490)	–	(10,490)
Balance at 28 February 2023		31,922	60,416	28,154	395,060	34,402	549,954

Six months ended 28 February 2022

		Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 September 2021		31,922	60,416	28,154	545,582	40,855	706,929
(Loss)/return after taxation		–	–	–	(54,877)	1,198	(53,679)
Dividend paid (note 8)	8	–	–	–	–	(8,041)	(8,041)
Buyback of Ordinary shares for treasury		–	–	–	(12,710)	–	(12,710)
Balance at 28 February 2022		31,922	60,416	28,154	477,995	34,012	632,499

The accompanying notes on pages 24 to 29 are an integral part of the condensed financial statements.

Condensed Statement of Cash Flows (unaudited)

	Six months ended 28 February 2023 £'000	Six months ended 28 February 2022 £'000
Operating activities		
Net return before taxation	**(46,136)**	(54,084)
Adjustments for:		
Losses on investments	**44,882**	53,526
Currency losses	**855**	74
Increase in accrued dividend income	**(4)**	(324)
Decrease in other debtors	**857**	13
Decrease in other creditors	**(23)**	(161)
Interest payable and similar charges	**1,054**	392
Overseas withholding tax	**271**	(356)
Cash from/(used in) operations	**1,756**	(920)
Interest paid	**(1,050)**	(427)
Net cash inflow/(outflow) from operating activities	**706**	(1,347)
Investing activities		
Purchases of investments	**(58,759)**	(108,233)
Sales of investments	**80,669**	129,304
Capital gains tax on sales	**(622)**	(67)
Net cash inflow from investing activities	**21,288**	21,004
Financing activities		
Equity dividends paid	**(7,726)**	(8,041)
Buyback of Ordinary shares	**(10,550)**	(12,710)
Repayment of bank loans	**(5,000)**	–
Net cash used in financing activities	**(23,276)**	(20,751)
Decrease in cash and cash equivalents	**(1,282)**	(1,094)
Analysis of changes in cash and cash equivalents during the period		
Opening balance	**5,094**	5,000
Effect of exchange rate fluctuations on cash held	**(855)**	(74)
Decrease in cash and cash equivalents as above	**(1,282)**	(1,094)
Closing balance	**2,957**	3,832
Represented by:		
Money market funds	**5**	–
Cash and short term deposits	**2,952**	3,832
	2,957	3,832

Notes to the Financial Statements

As at 28 February 2023

1. Accounting policies

Basis of preparation. The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the principles of the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. Given that the Company's portfolio comprises primarily "Level 1" assets (listed on a recognisable exchange and realisable within a short timescale), and the Company's relatively low level of gearing, the Directors believe that adopting a going concern basis of accounting remains appropriate. The condensed financial statements have also been prepared on the assumption that approval as an investment trust will continue to be granted by HMRC.

The interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements.

2. Income

	Six months ended 28 February 2023 £'000	Six months ended 28 February 2022 £'000
Income from investments		
Overseas dividend income	**3,148**	2,688
	3,148	2,688
Other income		
Deposit interest	**58**	–
Interest from money market funds	**12**	1
	70	1
Total income	**3,218**	2,689

3. Taxation

The taxation for the period represents withholding tax suffered on overseas dividend income and a movement in provision for Indian Capital Gains Tax.

An amount of £369,000 of withholding tax was suffered in the six months to 28 February 2023 (28 February 2022 - £317,000). The Indian Capital Gains Tax accrual has decreased by £928,000 (28 February 2022 - £789,000) since the year end with a balance outstanding at 28 February 2023 of £1,473,000 (28 February 2022 - £3,020,000).

4. Return per Ordinary share

	Six months ended 28 February 2023 p	Six months ended 28 February 2022 p
Basic		
Revenue return	**1.29**	0.97
Capital return	**(40.27)**	(44.43)
Total return	**(38.98)**	(43.46)

The figures above are based on the following:

	£'000	£'000
Revenue return	**1,524**	1,198
Capital return	**(47,723)**	(54,877)
Total return	**(46,199)**	(53,679)
Weighted average number of Ordinary shares in issue	**118,509,837**	123,525,060

5. Transaction costs

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

	Six months ended 28 February 2023 £'000	Six months ended 28 February 2022 £'000
Purchases	**78**	141
Sales	**162**	261
	240	402

6. Capital reserves

The capital reserve reflected in the Condensed Statement of Financial Position at 28 February 2023 includes gains of £85,496,000 (31 August 2022 - £144,902,000) which relate to the revaluation of investments held at the reporting date.

Notes to the Financial Statements

Continued

7. Net asset value per share

The net asset value per share and the net assets attributable to the Ordinary shareholders at the period end were as follows:

	As at 28 February 2023	As at 31 August 2022
Net assets attributable (£'000)	**549,954**	614,369
Number of Ordinary shares in issue[A]	**117,200,797**	119,686,001
Net asset value per share (pence)	**469.24**	513.32

[A] Excluding shares held in treasury.

8. Dividends

	Six months ended 28 February 2023 £'000	Six months ended 28 February 2022 £'000
2021 final dividend – 6.5p	**–**	8,041
2022 final dividend – 6.5p	**7,726**	–
	7,726	8,041

There will be no interim dividend for the year to 31 August 2023 (2022 – nil) as the objective of the Company is long-term capital appreciation.

9. Fair value hierarchy

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

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

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

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

All of the Company's investments are in quoted equities (31 August 2022 – same) which are actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments as at 28 February 2023 of £605,866,000 (31 August 2022 – £672,379,000) has therefore been deemed as Level 1.

10. Bank loans

The Company has a £35,000,000 multicurrency facility with The Royal Bank of Scotland (with the option of a further £15m accordion facility which can be drawn down subject to further bank consent). This agreement was entered into on 29 July 2022 with a termination date of 29 July 2024. At 28 February 2023, £30,000,000 of this facility has been drawn down at a rate of 4.927% which matured on 24 March 2023. At the date of this Report the Company had drawn down £20,000,000 at a rate of 5.1771%.

On 29 July 2022, the Company entered into a new fixed loan facility agreement of £25,000,000 at an interest rate of 3.5575% with The Royal Bank of Scotland International Limited, London Branch, with a termination date of 29 July 2024. The agreement of this facility incurred an arrangement fee of £18,000 which is being amortised over the life of the loan.

The agreements contain the following covenants:

– the net asset value of the Company shall not at any time be less than £375 million.

– consolidated gross borrowings expressed as a percentage of adjusted portfolio value shall not exceed 25% at any time.

– the number of eligible investments shall not be less than 30 at any time.

All covenants have been complied with throughout the period.

11. Called-up share capital

In the six months to 28 February 2023, the Company bought back 2,485,204 (28 February 2022 – 2,504,682) Ordinary shares to be held in treasury, at a total cost of £10,490,000 (28 February 2022 – £12,710,000).

At the end of the period there were 159,611,677 (28 February 2022 – 159,611,677) Ordinary shares in issue, of which 42,410,880 (28 February 2022 – 37,350,009) were held in treasury.

Since the period end a further 1,000,000 Ordinary shares of 20p each have been purchased by the Company at a total cost of £4,025,000 all of which were held in treasury.

12. Analysis of changes in net debt

	At 31 August 2022 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 28 February 2023 £'000
Cash and short term deposits	5,094	(855)	(1,282)	–	2,957
Debt due within one year	(35,000)	–	5,000	–	(30,000)
Debt due after one year	(24,983)	–	–	(4)	(24,987)
	(54,889)	(855)	3,718	(4)	(52,030)

	At 31 August 2021 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 28 February 2022 £'000
Cash and short term deposits	5,000	(74)	(1,094)	–	3,832
Debt due within one year	(64,998)	–	–	(1)	(64,999)
	(59,998)	(74)	(1,094)	(1)	(61,167)

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

13. Related party transactions and transactions with the Manager

The Company has an agreement in place with abrdn Fund Managers Limited ("aFML" or "Manager") for the provision of management and administration services, promotional activities and secretarial services.

The management fee is calculated at 0.85% per annum of net assets up to £350 million and 0.50% per annum of net assets over this threshold. Management fees are calculated and payable on a quarterly basis, and is charged 75% to capital and 25% to revenue. During the period £2,001,000 (28 February 2022 – £2,262,000) of management fees were payable to the Manager, with a balance of £2,001,000 (28 February 2022 – £1,097,000) due to aFML at the period end.

The management agreement is terminable by the Company on three months' notice or in the event of a change of control in the ownership of the Manager. The notice period required to be given by the Manager is six months.

At the end of the period the Company had £5,000 (28 February 2022 - £nil) invested in Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund which is managed and administered by abrdn plc. The Company pays a management fee on the value of these holdings but no fee is chargeable at the underlying fund level.

Promotional activities costs are based on current annual amount of £240,000 (28 February 2022 - £200,000), payable quarterly in arrears. During the period £116,000 (28 February 2022 - £100,000) of fees were payable, with a balance of £99,000 (28 February 2022 - £32,000) being due at the period end.

14. Segmental information

The Company is engaged in a single segment of business, which is to invest in equity securities. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based on the Company as one segment.

15. Half-Yearly Financial Report

The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 - 436 of the Companies Act 2006. The financial information for the six months ended 28 February 2023 and 28 February 2022 has not been audited. The Company's external auditor, PricewaterhouseCoopers LLP has not reviewed the financial information for the six months ended 28 February 2023.

The information for the year ended 31 August 2022 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditor on those accounts contained no qualification or statement under Section 498(2) or (3) of the Companies Act 2006.

16. This Half-Yearly Financial Report was approved by the Board on 26 April 2023.

Alternative Performance Measures

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

Discount to net asset value per Ordinary share

The difference between the share price and the net asset value per Ordinary share expressed as a percentage of the net asset value per Ordinary share.

		28 February 2023	31 August 2022
NAV per Ordinary share (p)	a	469.24	513.32
Share price (p)	b	410.00	446.00
Discount	(a-b)/a	12.6%	13.1%

Net gearing

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

		28 February 2023	31 August 2022
Borrowings (£'000)	a	**54,987**	59,983
Cash (£'000)	b	**2,957**	5,094
Amounts due to brokers (£'000)	c	**506**	287
Amounts due from brokers (£'000)	d	**–**	–
Shareholders' funds (£'000)	e	**549,954**	614,369
Net gearing	(a-b+c-d)/e	**9.6%**	9.0%

Ongoing charges

The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average published daily net asset values with debt at fair value published throughout the year. The ratio for 28 February 2023 is based on forecast ongoing charges for the year ending 31 August 2023.

	28 February 2023	31 August 2022
Investment management fees (£'000)	**3,989**	4,387
Administrative expenses (£'000)	**1,093**	1,007
Less: non-recurring charges[A] (£'000)	**(3)**	(33)
Ongoing charges (£'000)	**5,079**	5,361
Average net assets (£'000)	**556,367**	640,938
Ongoing charges ratio	**0.91%**	0.84%

[A] Comprises legal and professional fees which are not expected to recur.

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

Total return

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

Six months ended 28 February 2023		NAV	Share Price
Opening at 1 September 2022	a	**513.32p**	**446.00p**
Closing at 28 February 2023	b	**469.24p**	**410.00p**
Price movements	c=(b/a)-1	**-8.6%**	**-8.1%**
Dividend reinvestment[A]	d	**1.4%**	**1.6%**
Total return	c+d	**-7.2%**	**-6.5%**

Year ended 31 August 2022		NAV	Share Price
Opening at 1 September 2021	a	566.60p	512.00p
Closing at 31 August 2022	b	513.32p	446.00p
Price movements	c=(b/a)-1	-9.4%	-12.9%
Dividend reinvestment[A]	d	1.0%	1.1%
Total return	c+d	-8.4%	-11.8%

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

Investor Information

How to Invest

Investors can buy and sell shares in Asia Dragon Trust plc (the "Company") directly through an online dealing provider or platform, stockbroker or indirectly through a lawyer, accountant or other professional adviser. Many have online facilities. Shareholders who wish to exercise their voting rights or attend general meetings should contact their provider directly. Alternatively, for retail clients, shares may be bought directly through the abrdn Investment Trust Share Plan, Individual Savings Account ("ISA") or Investment Plan for Children or through other tax efficient wrappers.

Online Dealing Providers and Platforms

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company, such as self-invested personal pensions (SIPPs). Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell Youinvest; Barclays Smart Investor; Charles Stanley Direct; EQi; Fidelity; Halifax Share Dealing; Hargreaves Lansdown; Interactive Investor (a wholly owned abrdn plc subsidiary); Novia; Transact and Standard Life.

abrdn Share Plan

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

abrdn Investment Trusts ISA

abrdn operates an Investment Trust ISA ("ISA") through which an investment made be made of up to £20,000 in the tax year 2023/2024.

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

abrdn ISA Transfer

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

abrdn Investment Plan for Children

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

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 & Financial Advice Association at: **pimfa.co.uk**

Financial Advisers

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

Regulation of Stockbrokers

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

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

Dividend Tax Allowance

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

Keeping You Informed

The Company's share price can be found in the Financial Times under the heading 'Investment Companies' and information of the Company may be found on its dedicated website (**asiadragontrust.co.uk**) and the TrustNet website (**trustnet.com**). This provides access to information on the Company's share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager.

Details on the Company or literature and application forms on abrdn managed savings products can be found here:

Website: **www.invtrusts.co.uk**
Email: **inv.trusts@abrdn.com**
Tel: **0808 500 0040**

Address: abrdn Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB

Terms and conditions for the abrdn investment trust products can be found under the Literature section of this website.

Twitter: @abrdnTrusts

LinkedIn: abrdn Investment Trusts

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

Company's Registrars

Alternatively, if you have an administrative query which relates to a direct holding, please contact the Company's Registrar, as follows:

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

Shareholder helpline: **0371 384 2499**
Shareview enquiry line: **0371 384 2020**
Textel/hard of hearing**: 0371 384 2255**
Overseas helpline: **+44 (0) 384 2499**

(Lines open 8.30am to 5.30pm, Monday to Friday excluding bank holidays. Charges for calling telephone numbers starting with '03' are determined by the caller's service provider).

Pre-investment Disclosure Document ("PIDD")

The AIFMD requires abrdn Fund Managers Limited, as the alternative investment fund manager of the Company, to make available to investors certain information prior to such investors' investment in the Company.

The Company's PIDD is available for viewing on its website.

Key Information Document ("KID")

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

https://www.asiadragontrust.co.uk/en/literature-library

Investor Information

Continued

Suitable for Retail/NMPI Status

The Company's shares are intended for investors primarily in the UK, including retail investors, professional-advised private clients and institutional investors who seek total returns from investment in Asian markets 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 securities issued by the Company can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products (NMPIs) and intends to continue to do so for the foreseeable future.

The Company's securities are not subject to the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

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

abrdn is aware that some investors have received telephone calls and emails from people, purporting to work for abrdn or third party firms, who have offered to buy their investment company shares. abrdn Investments has also been notified of emails claiming that certain investment companies under their management have issued claims in the courts against individuals.

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 you is required to release the supposed payment for their shares. These callers/senders do not work for abrdn and any third party making such offers/claims has no link with the abrdn. 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, end the call and contact abrdn's investor services centre using the details provided in the section entitled "Keeping You Informed".

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

Note

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

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

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

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

Contact Addresses

Directors
James Will (Chairman)
Gaynor Coley
Matthew Dobbs
Susan Sternglass Noble
Charlie Ricketts

Manager, Investment Manager, Secretary and Registered Office

Alternative Investment Fund Manager*
abrdn Fund Managers Limited
(authorised and regulated by the Financial Conduct Authority)

280 Bishopsgate
London EC2M 4AG
(* appointed as required by EU Directive 2011/61/EU)

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

Secretary and Registered Office
abrdn Holdings Limited
1 George Street
Edinburgh EH2 2LL

Website
asiadragontrust.co.uk

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

Telephone: 0371 384 2499
Website: **equiniti.com**

Depositary
BNP Paribas Trust Corporation UK Limited

Auditor
PricewaterhouseCoopers LLP

Broker
Winterflood Securities
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Foreign Account Tax Compliance Act ("FATCA") Registration Number ("GIIN")
IRS Registration Number (GIIN): 2WA1VW.99999.SL.826

Legal Entity Identifier ("LEI")
549300W4KB0D75D1N730

Company Registration Number
SC106049

Important Information

Investment Objective

To achieve long-term capital growth through investment in Asia, with the exception of Japan and Australasia. Investments are made primarily in stock markets in the region, principally in large companies. When appropriate, the Company will utilise gearing to maximise long term returns.

Company Benchmark

MSCI All Country Asia (ex Japan) Index (sterling adjusted).

Performance Related Conditional Tender Offer

At the AGM in 2021, shareholders voted in favour of the introduction of a performance-related conditional tender offer, which provides that, in the event that the NAV total return per share fails to equal or exceed the MSCI All Country Asia ex Japan Index (sterling adjusted) over a five year assessment period commencing 1 September 2021, the Board will put forward proposals to shareholders to undertake a tender offer. The size of any Conditional Tender Offer will be set by the Board up to a maximum of 25 per cent of the then issued share capital of the Company. Any such tender offer will be at a price equal to 98 per cent of the then prevailing NAV per share (after deduction of the costs of implementing the tender offer). Any tender offer would be subject to the passing of the relevant continuation vote, and itself would require the approval of shareholders, and it is expected that any tender offer will be made within three months after the passing of such continuation vote.

Continuation Vote

The Company does not have a fixed life, but shareholders are given the opportunity to vote on the continuation of the Company at every fifth Annual General Meeting. The last continuation vote was passed at the AGM on 15 December 2021. The next continuation vote is due to take place at the AGM in December 2026.

Visit our Website

To find out more about Asia Dragon Trust plc, please visit: **asiadragontrust.co.uk**

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