

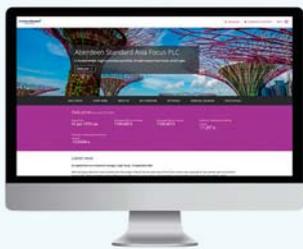
Aberdeen Standard Asia Focus PLC

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



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

If you have sold or otherwise transferred all your Ordinary shares in Aberdeen Standard Asia Focus PLC, please forward this document, together with the accompanying documents immediately to the purchaser or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee or transferee, or to the stockbroker, bank or agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



Visit our Website

To find out more about Aberdeen Standard Asia Focus PLC, please visit: asia-focus.co.uk

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“Equity markets worldwide faced a raft of macroeconomic and geopolitical challenges, with a global public health crisis thrown in for good measure. In this tumultuous environment, your Company’s net asset value (NAV) fell by 13.6% in sterling terms and its share price by a similar 13.2%.”

Nigel Cayzer, Chairman



“Asian countries’ relatively effective containment of the virus mean that these companies with a mainly domestic focus should be among the first to recover.”

Hugh Young,
Aberdeen Standard Investments (Asia) Limited

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Highlights and Financial Calendar

Net asset value total return
(diluted)^{AB}

-13.6%

2019

+7.1%

MSCI AC Asia Pacific ex Japan Index
total return^C

+1.9%

2019

+5.7%

MSCI AC Asia Pacific ex Japan Small Cap
Index total return^C

-2.5%

2019

-0.5%

Share price total return^A

-13.2%

2019

+11.4%

Discount to net asset value^{AB}

11.4%

2019

11.6%

Dividends per Ordinary share^D

19.00p

2019

19.00p

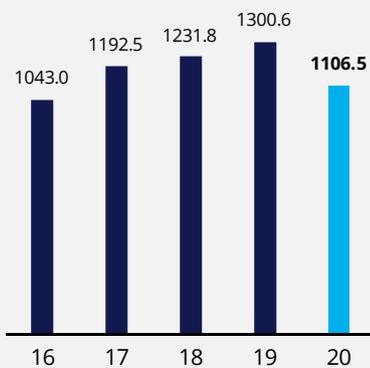
^A Alternative Performance Measure (see pages 90 and 91).

^B Presented on an undiluted basis as the Convertible Unsecured Loan Stock ("CULS") is "out of the money"

^C Currency adjusted, capital gains basis.

^D Dividends are subject to shareholder approval at the Annual General Meeting.

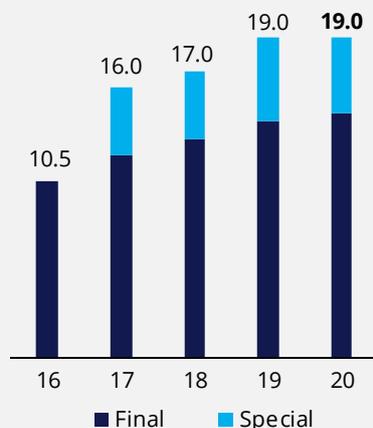
Net asset value per share



*Diluted values used for
2016-2017

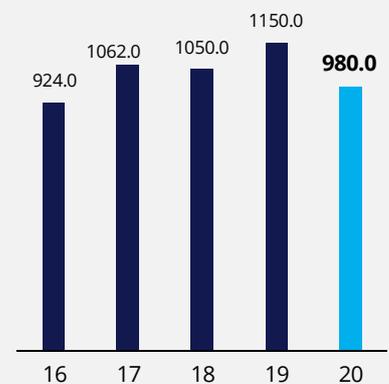
At 31 July - pence

Dividends per share



At 31 July - pence

Mid-market price per share



At 31 July - pence

Dividends

	Rate	xd date	Record date	Payment date
Proposed final 2020	14.50p	12 November 2020	13 November 2020	9 December 2020
Proposed special 2020	4.50p	12 November 2020	13 November 2020	9 December 2020
	19.00p			
Final 2019	14.00p	14 November 2019	15 November 2019	11 December 2019
Special 2019	5.00p	14 November 2019	15 November 2019	11 December 2019
	19.00p			

“Whilst the formal business of the AGM will be considered, the meeting will be functional only, and will follow the minimum legal requirements for an AGM. There will be no physical presentation from the investment managers and no refreshments will be offered, I am sorry to say.”

Nigel Cayzer, Chairman

Financial Calendar

CULS Conversion Date	30 November 2020
Financial year end	31 July
Annual General Meeting	1 December 2020
Payment date of proposed dividends	9 December 2020
CULS Conversion Date	28 May 2021
Expected announcement of results for year ended 31 July 2021	October 2021

Highlights

	31/07/2020	31/07/2019	% change
Total assets (see definition on page 105)	£405,653,000	£496,916,000	-18.4
Total equity shareholders' funds (net assets)	£358,956,000	£441,010,000	-18.6
Net asset value per share (basic)	1,106.45p	1,300.56p	-14.9
Share price (mid market)	980.00p	1,150.00p	-14.8
Market capitalisation	£317,934,000	£389,958,000	-18.5
Discount to net asset value (basic) ^A	11.4%	11.6%	
MSCI AC Asia Pacific ex Japan Index (currency adjusted, capital gains basis)	786.37	793.25	-0.9
MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted, capital gains basis)	1,399.93	1,479.09	-5.4
Net gearing ^A	9.9%	9.9%	
Dividends and earnings			
Total return per share (basic) ^B	(182.57)p	78.18p	
Revenue return per share (basic)	21.45p	21.64p	-0.9
Dividends per share ^C	19.00p	19.00p	-
Dividend cover ^A	1.13	1.14	-0.9
Revenue reserves ^D	£16,276,000	£15,550,000	+4.7
Operating costs			
Ongoing charges ratio ^A	1.09%	1.16%	

^A Considered to be an Alternative Performance Measure. See pages 90 and 91.

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

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

^D Prior to payment of final and special dividends.



Strategic Report

The Company aims to attract long term private and institutional investors wanting to benefit from the growth prospects of Asian smaller companies. It is an investment trust and its Ordinary shares and Convertible Unsecured Loan Stock are listed on the premium section of the London Stock Exchange. It does not have a benchmark.

Chairman's Statement



“While Covid-19 has brought unprecedented challenges to certain countries and sectors, your Manager’s disciplined, bottom-up stock-picking approach, concentrating on business resilience, is a source of comfort, with none of your Company’s underlying holdings under existential threat as a result of the crisis.”

Nigel Cayzer, Chairman

Results

The last twelve months has, to say the least, been fraught and eventful. Equity markets worldwide faced a raft of macroeconomic and geopolitical challenges, with a global public health crisis thrown in for good measure. In this tumultuous environment, your Company's net asset value (NAV) fell by 13.6% in sterling terms and its share price by a similar 13.2%. In comparison, the MSCI Asia Pacific ex-Japan Small Cap Index declined by 2.5%. The decline in NAV was compounded by the gearing of the portfolio during the period, with the level of borrowings accentuating the fall, much the same as it has amplified the rebound from the lows of March.

Sentiment and liquidity, rather than fundamentals, have been the key drivers of equity markets, as investors vacillated between fears of an economic crisis caused by the pandemic and optimism resulting from unrivalled monetary and fiscal support worldwide. As a consequence, investors' interests have been focused on the upper end of the equity universe by market capitalisation. Small companies have, therefore, generally suffered from neglect. For your Company, its policy of investing in companies valued at US\$1.5 billion or below, places it towards the even more overlooked lower end of the small-cap universe, where the negative impact was amplified. These smaller holdings suffered as defensive investors turned more risk averse amid the volatility.

Although both frustrating and disappointing from a performance perspective for the period under review, there is hope looking further ahead. Many of the companies your Manager is investing in today are better valued, with convincing long-term prospects underpinned by strong balance sheets. I believe, as your Manager does, that these holdings are poised for a recovery when the pandemic ends. On top of that, increased volatility in stock markets has given rise to new investment opportunities and your Manager has been active in adding new ideas to the portfolio, positioning it so that it is primed for a turnaround and sustainable long-term growth. Encouragingly, many of these new holdings have been the best-performing stocks in the portfolio over the past year.

Overview

While the Covid-19 pandemic and its fallout dominated the market narrative over the latter half of the period, it is easy to forget that small-cap equities started the period on the back foot. The push and pull of US-China trade tensions over the previous year had hampered the asset class, as many of these Asian smaller companies are plugged into the global supply chain that

relies heavily on international trade. The signing of an initial trade deal between the two economic behemoths brought brief respite at the start of 2020. But this was short lived as the rapid spread of Covid-19 sent markets into a tailspin. After initial lockdowns proved effective, share prices rose again, underpinned largely by the massive monetary and fiscal largesse of central banks and governments worldwide.

In the wake of the pandemic, markets have behaved rather atypically – China, usually more volatile, proved resilient, thanks to its effective but draconian handling of the pandemic that allowed an earlier re-opening of its economy compared to the rest of the region. Not only that, but China benefited from its large domestic consumer base that was spurred on by Beijing's ample stimulus. This meant that the portfolio's lower exposure to China was a disadvantage. In contrast, markets that were supposed to be more stable, such as Australia, Hong Kong, and Singapore, suffered large corrections. With international trade and travel interrupted, many of these open economies stumbled. Similarly, our larger-than-benchmark exposure to Thailand, heavily dependent on exports and tourism, also hurt.

Given these tectonic shifts, your Manager has been re-evaluating the portfolio's composition. Among the changes made were the divestment of a number of underlying holdings and reductions in positions in India, Indonesia and Thailand. Traditionally, India is a major component of the portfolio because it offers a dynamic range of small, quality companies that benefit from its large domestic market, and ranks well in corporate governance terms. However, India has not been able to get the virus under control as effectively as China, delaying a resumption in business activity with clear economic and social costs. While Covid-19 has brought unprecedented challenges to certain countries and sectors, your Manager's disciplined, bottom-up stock-picking approach, concentrating on business resilience, is a source of comfort, with none of your Company's underlying holdings under existential threat as a result of the crisis. We have seen how the pandemic has accelerated the adoption of technology by both businesses and individuals as they adapt to the lockdowns. This has resulted in a surge in demand for data, stemming from video conferencing, online shopping, working from home and e-entertainment needs. Your Manager has been shrewd in nurturing a number of growth-oriented companies, particularly in the information technology and e-commerce sectors, such as **AEM Holdings**, **MoMo.com** and **Park Systems**. The addition of technology firm **Affle India** and biotech company **Syngene International** over the period also bore fruit, showing that the strategy to include these new-economy growth stocks to

Chairman's Statement Continued

complement the Trust's long-held traditional businesses was prudent. While valuations generally tend to be dearer for such growth stocks, your Manager is optimistic about their prospects and expects further market upheaval to present opportunities to pick up bargains when valuations become attractive.

On the flipside, more traditional businesses held within the Company in the financials and consumer discretionary space have naturally suffered, while the Trust's relatively lighter exposure to North Asian markets like China and Korea proved to be a disadvantage, given those countries' better handling of the pandemic and greater flexibility to boost spending to support their citizens. During the period, your Manager sold a number of holdings with either a dimmer growth outlook or where valuations appeared full, albeit only one was as a direct response to Covid-19. Specifics of the Trust's performance will be dealt with in detail in the Manager's report.

Your Manager focuses on market-leading companies, with healthy balance sheets, led by prudent management who generate sustainable earnings. This has resulted in a portfolio more balanced in its exposures. To some degree, the domestic focus of these small companies insulated them from external shocks, such as the impact felt by the oil and gas sector in the face of an unstable pricing environment, caused by the sudden plunge in demand and exacerbated by a resurgence of geopolitical tension. Hong Kong is worth mentioning, since your Company has significant exposure there, albeit a large part of the underlying business activities of these investments is with China. The former British colony faces heavy pressure from the US spilling over from America's ongoing trade tiff with the mainland. Insult was added to injury when the US revoked Hong Kong's special trade status in response to Beijing's new national security law that curtailed the territory's autonomy. More recently, goods made in Hong Kong have to be re-labeled "Made in China", subjecting them to further trade rules that are likely to hobble companies operating there. Your Manager continues to keep a close watch on these developments.

Dividend

As advised in previous years and subject to market conditions, it is your Company's aim to maintain or increase the Ordinary dividend so that shareholders can rely on a consistent stream of income. In the current year, we have seen continued strength in both the ordinary income and the income that we receive as special dividends. In view of this, the Board is recommending a final dividend of 14.5p per share (2019 14.0p) representing an increase of 3.6% and a special dividend of 4.5p per share (2019

5.0p). The payments will allow for a small surplus to be transferred to the brought forward revenue reserves which can be used in future years in the event of any temporary shortfalls in revenue. If approved by shareholders at the Annual General Meeting of the Company on 1 December 2020, both dividends will be paid on 9 December 2020 to shareholders on the register on 13 November 2020.

The Board is conscious that the majority of the Company's investee companies had already earned and paid their 2020 distributions by the time that the Covid-19 pandemic took hold in early 2020 and therefore the Board intends to monitor carefully receipts for the remainder of the current year and stands ready to use the significant brought forward revenue reserves if required to smooth out any short term impact of the pandemic on earnings.

Gearing and Share Capital Management

The Company's year-end net gearing was 9.9%. The majority of the gearing is provided by the new CULS 2025 together with bank loans. The Company has a two year multicurrency revolving loan facility with The Royal Bank of Scotland International Limited, London Branch (the "Loan Facility"). Under the Loan Facility £11.2 million was drawn down at the year end. The level of gearing is managed actively and at the time of writing drawings amounted to £11.2 million representing net gearing of 10.1%.

The Board believes that it is in the long-term interest of the Ordinary shareholders to take advantage of the current low interest rates prevailing in today's market to extend, and secure, the Company's debt profile beyond the CULS redemption date. Accordingly, on 20 October 2020 the Board announced that it has agreed terms (through the acceptance of a conditional offer that is subject to diligence and agreement of legal documentation) to extend and secure the Company's long-term borrowings through the issuance of a £30 million 15 year Senior Unsecured Loan Note (the "Loan Note") at an annualised interest rate of 3.05%. The Loan Note will be unsecured, unlisted and denominated in sterling. The Loan Note shall rank pari passu with the Company's other unsecured and unsubordinated financial indebtedness. The Company intends to use the proceeds of the Loan Note to repay, and cancel in full, the Company's Loan Facility. The remainder will be available for the Company's Manager to invest on behalf of the Company. The new Loan Note will provide the Manager with greater flexibility and additional cash resources to take advantage of investment opportunities that are expected to arise over the coming period.

Under the terms of the Loan Note up to an additional £35 million will also be available for drawdown by the Company for a five-year period. The Board's current intention would be to only draw this down to repay any of the Company's existing Convertible Unsecured Loan Stock, either at their redemption in 2025, or before. This will be kept under review. The minimum drawdown would be in tranches of £10m and the exact terms of such borrowing would be agreed at the time of drawdown. The Company will pay no fees on this facility, other than minimal legal fees.

During the year the Company purchased for treasury 1,484,256 Ordinary shares at a discount to the prevailing NAV (exclusive of income). Subsequent to the period end a further 487,500 Ordinary shares have been purchased into treasury. Share buy backs can provide liquidity to the market and reduce the volatility of any discount as well as modestly enhancing the NAV for shareholders.

Annual General Meeting

The Board has been considering how best to deal with the potential impact of the Covid-19 pandemic on arrangements for the Company's AGM. The Company is required by law to hold an AGM and the Board had been working on the basis that the Company's AGM would be held in its usual format on 1 December 2020 as previously scheduled. Given the possibility that some measure of restriction on public gatherings and maintaining social distancing may remain in place in December, the Board has resolved to amend the format of the AGM for this year. Therefore, whilst the formal business of the AGM will be considered, the meeting will be functional only, and will follow the minimum legal requirements for an AGM. There will be no physical presentation from the investment managers and no refreshments will be offered, I am sorry to say. If the guidance on public gatherings remains in place in December, shareholders are strongly discouraged from attending the meeting and indeed entry may be refused if the law and/or Government guidance so requires. In such circumstances, arrangements will be made by the Company to ensure that the minimum number of shareholders required to form a quorum will attend the meeting in order that the meeting may proceed and the business concluded. The Board considers these revised arrangements to be in the best interests of shareholders in the current circumstances.

A presentation from the Investment Manager, along with the AGM results, will be made available to shareholders on the Company's website shortly after the AGM.

In light of the pandemic and the revised format of this year's meeting, shareholders are encouraged to raise any questions in advance of the AGM with the Company Secretary at Asia.Focus@aberdeen-asset.com. Questions must be received by 5.00pm on 27 November 2020. Any questions received will be replied to by either the Manager or Board via the Company Secretary.

Given the evolving government guidance on Covid-19, the Company will continue to keep arrangements for the AGM under review and it is possible the arrangements will need to change. We will keep shareholders updated of any changes through the Company's website (asia-focus.co.uk) and announcements to the London Stock Exchange. We trust that shareholders will be understanding of this approach.

The Board strongly encourages all shareholders to exercise their votes in respect of the meeting in advance by completing the enclosed form of proxy, or letter of direction for those who hold shares through the Aberdeen Standard Investments savings plans. This should ensure that your votes are registered in the event that physical attendance at the AGM is not possible or restricted. Further details on how to attend and vote at Company Meetings for holders of shares via other share plans and platforms can be found on the AIC's website at: theaic.co.uk/aic/shareholder-voting-consumer-platforms.

In addition to the usual ordinary business being proposed at the AGM, as special business the Board is seeking to renew the authority to issue new shares and sell treasury shares for cash at a premium without pre-emption rules applying and to renew the authority to buy back shares and either hold them in treasury for future resale (at a premium to the prevailing NAV per share) or cancel them.

Directorate

As part of the previously advised process of succession planning Haruko Fukuda retired from the Board on 31 March 2020 and I would like to reiterate our thanks to her for her very significant contribution to the Company since 2003. On 3 June 2020 Krishna Shanmuganathan joined the Board as an independent non executive Director. He founded Scylax Partners in 2016 and prior to that was managing partner at Hakluyt & Company (Asia), a risk advisory company, having established and led the Asia Pacific offices of the firm, based in Singapore. Before that Krish held research and analyst roles at Fidelity International and Cambridge Associates after a successful and varied career in the Foreign & Commonwealth Office. He holds a number of other

Chairman's Statement Continued

non-executive appointments including being on the advisory board of Serendipity Capital, chairman of the trustees of St Jude India ChildCare Centres UK and a trustee of Solefield School Educational Trust.

Finally, following his recent appointment as Chairman of Mondi plc, and after six years on the Board, Philip Yea has decided to retire from the Company's Board at the AGM on 1 December 2020. I would like to take this opportunity to thank him very much, on behalf of both the Board and shareholders, for his significant contribution as a Director since his appointment in 2014 and latterly for his expert guidance as Audit Committee Chairman. With effect from the conclusion of the December 2020 Annual General Meeting Debby Guthrie will become Chair of the Audit Committee and Martin Gilbert has agreed to become a member of the Audit Committee.

Audit Tender

In line with best practice, during the year the Audit Committee conducted a tender for independent audit services. Following a detailed interview process the Board has accepted the Audit Committee's recommendation to appoint PricewaterhouseCoopers LLP ("PwC") as auditor to the Company. A shareholder resolution to approve the appointment and authorise the Directors to agree the new auditor's remuneration will be put to shareholders at the forthcoming AGM. The Board would like to place on record its thanks to EY for the audit services that it has provided to the Company since its launch in 1995.

Outlook

While we believe strongly in the longer-term potential of Asian smaller companies, we are cautious about the overall recovery for regional stocks in the short term, especially in light of a resurgence of Covid-19 infections. Countries, such as Thailand and India, have been harder hit. While Thailand has contained the spread of the virus, its tourism and export-led economy faces a longer road to recovery. In comparison, fresh infections in India continue to accelerate, which risk further eroding both its economy, as well as confidence in the stock market. For the asset class as a whole, pandemic-related issues, such as rising joblessness, are likely to hinder a pick-up in consumer spending while heightening the potential for more bankruptcies. These

risks will weigh on corporate earnings, which in turn, will dampen shareholder returns. Having said that, dividend yields in Asia appear more resilient than other regions. The Company's holdings also benefit from further insulation, as a result of their balance-sheet strength, as well as their market leadership.

While markets are buoyed by the ample support provided by governments and central banks to boost growth through targeted schemes and interest rate cuts, this has driven certain asset prices higher, albeit at an unequal pace. For equity markets in particular, the beneficiaries have been the larger companies and internet plays. However, it would be prudent to remember the eventual burden these measures place on their respective economies and that market trends can be ephemeral. With this in mind, your Manager continues to favour high-quality smaller companies that are hitched to Asia's dynamic growth themes. Over the longer term, these remain undimmed despite the pandemic. Such structural trends include greater demand for healthcare, technological advancements, and shifting consumption patterns, especially online shopping. Asia continues to have one of the highest growth rates globally and a wealth of financially responsible corporates. Your Manager will therefore continue to use its on-the-ground advantage to stay focused on holding companies with healthy fundamentals that should uphold the Trust's sturdy track record of delivering sustainable returns in the longer term.

Nigel Cayzer,
Chairman
28 October 2020

Overview of Strategy

Business Model

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

Investment Objective

The Company aims to maximise total return to shareholders over the long term from a portfolio made up predominantly of smaller quoted companies (with a market capitalisation of up to approximately US\$1.5 billion at the time of investment which was raised to this level on 23 May 2018 from the previous ceiling of US\$1bn) in the economies of Asia and Australasia excluding Japan, by following the investment policy described below. When it is in shareholders' interests to do so, the Company reserves the right to participate in the rights issue of an investee company notwithstanding that the market capitalisation of that investee may exceed the stated ceiling. The Directors envisage no change in this activity in the foreseeable future.

Investment Policy

The Company's assets may be invested in a diversified portfolio of securities (including equity shares, preference shares, convertible securities, warrants and other equity-related securities) predominantly in quoted smaller companies spread across a range of industries and economies in the investment region including Australia, Bangladesh, Cambodia, China, Hong Kong, India, Indonesia, Korea, Laos, Malaysia, Myanmar, New Zealand, Pakistan, The Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam, together with such other economies in Asia as the Directors may from time to time determine, (collectively, the "Investment Region"). Investments may also be made through collective investment schemes, in unquoted equities (up to 10% of the net assets of the Company, calculated at the time of investment) and in companies traded on stock markets outside the Investment Region provided that over 75% of their consolidated revenue, operating income or pre-tax profit is earned from trading in the Investment Region or they hold more than 75% of their consolidated net assets in the Investment Region.

Risk Diversification

The Company does not invest more than 15% of its gross assets at the time of investment either in other listed investment companies (including listed investment trusts), or in the shares of any one company. The Manager is authorised to invest up to 15% of the Company's gross assets in any single stock.

Gearing

The Board is responsible for determining the gearing strategy for the Company. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent this is considered appropriate to do so. Gearing is subject to a maximum gearing level of up to 25% of adjusted NAV at the time of draw down.

Delivering the Investment Policy

The Directors are responsible for determining the investment policy and the investment objective of the Company. Day to day management of the Company's assets has been delegated, via the AIFM, to the Investment Manager, ASI Asia. ASI Asia invests in a diversified range of companies throughout the Investment Region in accordance with the investment policy. ASI Asia follows a bottom-up investment process based on a disciplined evaluation of companies through direct visits by its fund managers. Stock selection is the major source of added value. No stock is bought without the fund managers having first met management. ASI Asia estimates a company's worth in two stages, quality then price. Quality is defined by reference to management, business focus, the balance sheet and corporate governance. Price is calculated by reference to key financial ratios, the market, the peer group and business prospects. Top-down investment factors are secondary in the ASI Asia's portfolio construction, with diversification rather than formal controls guiding stock and sector weights. Except for the maximum market capitalisation limit, little regard is paid to market capitalisation.

A detailed description of the investment process and risk controls employed by ASI Asia is disclosed on page 94. A comprehensive analysis of the Company's portfolio is disclosed on pages 25 to 34 including a description of the ten largest investments, the portfolio investments by value, sector/geographical analysis and currency/market performance. At the year end the Company's portfolio consisted of 63 holdings.

Comparative Indices

The Company does not have a benchmark. ASI Asia utilises two general regional indices, the MSCI AC Asia Pacific ex Japan Index (currency adjusted) and the MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted), as well as peer group comparisons for Board reporting. It is likely that performance will diverge, possibly quite dramatically in either direction, from these or any other indices. ASI Asia seeks to minimise risk by using in depth research and does not see divergence from an index as risk.

Overview of Strategy Continued

Promoting the Company's Success

In accordance with corporate governance best practice, the Board is now required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year following the guidelines set out under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This Statement, from 'Promoting the Success of the Company' to "Long Term Investment" on page 13, provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The purpose of the Company is to act as a vehicle to provide, over time, financial returns to its shareholders. The Company's Investment Objective is disclosed on page 11. The activities of the Company are overseen by the Board of Directors of the Company.

The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other

stakeholders alike. The Board reviews the culture and manner in which the Manager operates at its regular meetings and receives regular reporting and feedback from the other key service providers.

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

Stakeholders

The Company's main stakeholders have been identified as its shareholders, the Manager (and Investment Manager), service providers, investee companies and debt providers. More broadly, the environment and community at large are also stakeholders in the Company.

Shareholders

The following table describes some of the ways we engage with our shareholders:

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 on 1 December 2020 in London. In light of the Covid-19 pandemic, we encourage shareholders to lodge their vote by proxy on all the resolutions put forward.
Annual Report	We publish a full annual report each year that contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format.
Company Announcements	We issue announcements for all substantive news relating to the Company. You can find these announcements on the website.
Results Announcements	We release a full set of financial results at the half year and full year stage. Updated net asset value figures are announced on a daily basis.
Monthly Factsheets	The Manager publishes monthly factsheets on the Company's website including commentary on portfolio and market performance.
Website	Our website contains a range of information on the Company and includes a full monthly portfolio listing of our investments as well as podcasts by the Investment Manager. Details of financial results, the investment process and Investment asia-focus.co.uk
Investor Relations	The Company subscribes to the Manager's Investor Relations programme (further details are on page 16).

The Manager

The key service provider for the Company is the Alternative Investment Fund Manager and the performance of the Manager is reviewed in detail at each Board meeting. The Manager's investment process is outlined on page 94 and further information about the Manager is given on page 93. Shareholders are key stakeholders in the Company – they are looking to the 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 at least annually with shareholders at the Annual General Meeting and this includes informal meetings with them over lunch following the formal business of the AGM. This is seen as a very useful opportunity to understand the needs and views of the shareholders. In between AGMs, the Directors and Manager also conduct programmes of investor meetings with larger institutional, private wealth and other shareholders to ensure that the Company is meeting their needs. Such regular meetings may take the form of joint presentations with the Investment Manager or meetings directly with a Director where any matters of concern may be raised directly.

Other Service Providers

The other key stakeholder group is that of the Company's third party service providers. The Board is responsible for selecting the most appropriate outsourced service providers and monitoring the relationships with these suppliers regularly in order to ensure a constructive working relationship. Our service providers look to the Company to provide them with a clear understanding of the Company's needs in order that those requirements can be delivered efficiently and fairly. The Board, via the Management Engagement Committee, ensures that the arrangements with service providers are reviewed at least annually in detail. The aim is to ensure that contractual arrangements remain in line with best practice, services being offered meet the requirements and needs of the Company and performance is in line with the expectations of the Board, Manager, Investment Manager and other relevant stakeholders. Reviews include those of the Company's depository and custodian, share registrar, broker and auditor.

Principal Decisions

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

Portfolio The Investment Manager's Review on pages 19 to 21 details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to

monitor the investment portfolio throughout the year under the supervision of the Board. A list of the key portfolio changes can be found in the Investment Manager's Report.

Gearing The Company utilises gearing in the form of bank debt with the aim of enhancing shareholder returns over the longer term. On 5 June 2020, the Company entered into a new two year multicurrency revolving loan facility of £20 million with The Royal Bank of Scotland International Limited ("RBSI"), which replaced the Company's \$25m loan facility with RBSI, which matured on 5 June 2020. £18.2 million was drawn down under the new loan facility and has been used to repay the maturing loan.

The Board has maintained its pro-active approach to gearing and subsequent to the year end has taken advantage of the current low interest rates prevailing in today's market to extend, and secure, the Company's debt profile beyond the CULS redemption date. Accordingly, on 20 October 2020 the Board announced that it has agreed terms (through the acceptance of a conditional offer that is subject to diligence and agreement of legal documentation) to extend and secure the Company's long-term borrowings through the issuance of a £30 million 15 year Senior Unsecured Loan Note (the "Loan Note") which will replace the facility provided by RBSI.

Share Buybacks During the year, the Board has continued to buy back Ordinary shares opportunistically in order to manage the discount by providing liquidity to the market.

Audit In accordance with best practice the Audit Committee conducted an audit tender to select a new independent auditor. Having established the needs of the Company, a number of audit firms were considered and a shortlist of firms was invited to tender. Following a detailed review and interview process, PricewaterhouseCoopers LLP has been selected and the new independent auditor's appointment is being proposed for approval by shareholders at the Annual General Meeting in December 2020.

Long Term Investment

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

Overview of Strategy Continued

Key Performance Indicators (KPIs)

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

KPI	Description
NAV Return (per share)	The Board considers the Company's NAV total return figures to be the best indicator of performance over time and is therefore the main indicator of performance used by the Board. The figures for this year and for the past 1, 3, 5, 10 years and since inception are set out on page 22.
Performance against comparative indices	The Board also measures performance against a combination of two regional indices – the MSCI AC Asia Pacific ex Japan Index (currency adjusted) and the MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted). Graphs showing performance are shown on pages 23 and 24. At its regular Board meetings the Board also monitors share price performance relative to competitor investment trusts over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies.
Share price (on a total return basis)	The Board also monitors the price at which the Company's shares trade relative to the MSCI Asia Pacific ex Japan Index (sterling adjusted) on a total return basis over time. A graph showing the total NAV return and the share price performance against the comparative index is shown on page 24.
Discount/Premium to NAV	The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The objective is to avoid large fluctuations in the discount relative to similar investment companies investing in the region by the use of share buy backs subject to market conditions. A graph showing the share price premium/(discount) relative to the NAV is also shown on page 23.
Dividend	The Board's aim is to maintain or increase the Ordinary dividend so that shareholders can rely on a consistent stream of income. Dividends paid over the past 10 years are set out on page 22.

Principal Risks and Uncertainties

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

The Board also has a process to consider emerging risks and if any of these are deemed to be significant these risks are categorised, rated and added to the risk matrix. Although the uncertainty surrounding the timing of Brexit has now abated, economic risk for the Company remains, in particular currency volatility may adversely affect the translation rates of future earnings from the portfolio following the expiry of the transitional arrangements in January 2021.

The Board notes that there are a number of contingent risks stemming from the Covid-19 pandemic that may impact the operation of the Company. These include investment risks surrounding the companies in the portfolio such as employee absence, reduced demand, reduced turnover and supply chain breakdowns. The Investment Manager will continue to review carefully the composition of the Company's portfolio and to be pro-active in taking investment decisions where necessary. Operationally, Covid-19 is also affecting the suppliers of services to the Company including the Manager, Investment Manager and other key third parties. To date these services have continued to be supplied seamlessly and the Board will continue to monitor arrangements in the form of regular updates from the Manager and Investment Manager.

In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of this Annual Report and are not expected to change materially for the current financial year.

Description	Mitigating Action
<p>Investment strategy and objectives – the setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand may lead to the Company becoming unattractive to investors, a decreased demand for shares and a widening discount.</p>	<p>The Board keeps the level of discount at which the Company's shares trade as well as the investment objective and policy under review and in particular holds an annual strategy meeting where the Board reviews updates from the Investment Manager, investor relations reports and the Broker on the market. In particular, the Board is updated at each Board meeting on the make up of and any movements in the shareholder register.</p>
<p>Investment portfolio and investment management: investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and inability to meet the Company's objectives, as well as a weakening discount.</p>	<p>The Board sets, and monitors, its investment restrictions and guidelines, and receives regular board reports which include performance reporting on the implementation of the investment policy, the investment process and application of the guidelines. The Investment Manager is in attendance at all Board meetings. The Board also monitors the Company's share price relative to the NAV.</p>
<p>Financial obligations (Gearing): the requirement for the Company to meet its financial obligations, or increasing the level of gearing, could result in the Company becoming over-g geared or unable to take advantage of potential opportunities and result in a loss of value to the Company's shares. It could also result in the Company being unable to meet the interest repayments due on the CULS.</p>	<p>The Board sets a gearing limit and receives regular updates on the actual gearing levels the Company has reached from the Investment Manager together with the assets and liabilities of the Company and reviews these at each Board meeting. In addition, Aberdeen Standard Fund Managers Limited, as alternative investment fund manager, has set an overall leverage limit of 2x on a commitment basis (2.5x on a gross notional basis) and includes updates in its reports to the Board.</p>
<p>Financial and regulatory: the financial risks associated with the portfolio could result in losses to the Company. In addition, failure to comply with relevant regulation (including the Companies Act, the Financial Services and Markets Act, the Alternative Investment Fund Managers Directive, Accounting Standards and the listing rules, disclosure and prospectus rules) may have an impact on the Company.</p>	<p>The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are mitigated by the Investment Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 19 to the financial statements. The Board relies upon the Standard Life Aberdeen Group to ensure the Company's compliance with applicable regulations and from time to time employs external advisers to advise on specific concerns.</p>

Overview of Strategy Continued

Description	Mitigating Action
<p>Operational: the Company is dependent on third parties for the provision of all systems and services (in particular, those of Aberdeen Standard Investments) and any control failures and gaps in these systems and services could result in a loss or damage to the Company.</p>	<p>The Board receives reports from the Manager on internal controls and risk management at each board meeting. It receives assurances from all its significant service providers, as well as back to back assurances where activities are themselves sub-delegated to other third party providers with which the Company has no direct contractual relationship. Further details of the internal controls which are in place are set out in the Directors' Report on pages 47 and 48.</p>
<p>Investing in unlisted securities: the Company has the ability to invest in unlisted securities, although no such investments have been made to date. Unquoted investments are long-term in nature and they may take a considerable period to be realised. Unquoted investments are less readily realisable than quoted securities. Such investments may therefore carry a higher degree of risk than quoted securities. In valuing investments the Company may rely to a significant extent on the accuracy of financial and other information provided to the Manager as well as the performance of listed peer multiples which may impact unquoted valuations negatively</p>	<p>The Board recognises that investing in unlisted securities carries a higher risk/reward profile. Accordingly it seeks to mitigate this risk by limiting investment into such securities to 10% of the Company's net assets (calculated at the time of investment).</p>
<p>Market and F/X: insufficient oversight or controls over financial risks, including market risk, foreign currency risk, liquidity risk and credit risk could result in a loss to the Company.</p>	<p>The Manager's risk department reviews investment risk and a review of credit worthiness of counterparties is undertaken by its Counterparty Credit Risk team. The Company does not hedge foreign currency exposure but it may, from time to time, partially mitigate it by borrowing in foreign currencies.</p>

Promoting the Company

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by the Manager on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by the Manager. The Manager reports quarterly to the Board giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make up of that register.

The purpose of the programme is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of your Company is key and therefore

the Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow the Board to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. However, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment and, therefore, the Company does not consider it appropriate to set diversity targets. At 31 July 2020, there were five male Directors and two female Directors on the Board.

Environmental, Social and Governance (“ESG”) Engagement

Whilst the management of the Company’s investments is not undertaken with any specific instructions to exclude certain asset types or classes, the Investment Manager embeds ESG into the research of each asset class as part of the investment process. ESG investment is about active engagement, with the goal of improving the performance of assets held around the world.

The Investment Manager aims to make the best possible investments for the Company, by understanding the whole picture of the investments – before, during and after an investment is made. That includes understanding the environmental, social and governance risks and opportunities they present – and how these could affect longer-term performance. Environmental, social and governance considerations underpin all investment activities. With 1,000+ investment professionals, the Investment Manager is able to take account of ESG factors in its company research, stock selection and portfolio construction – supported by more than 50 ESG specialists around the world.

Active Engagement

Through engagement and exercising voting rights, the Investment Manager, on behalf of the Company, actively works with companies to improve corporate standards, transparency and accountability. By making ESG central to its investment capabilities, the Investment Manager looks to deliver improved financial performance in the longer term as well as actively contributing to a fairer, more sustainable world.

The primary goal is to generate the best long-term outcomes for the Company in order to fulfil fiduciary responsibilities to the Company. The Investment Manager sees ESG factors as being financially material and impacting corporate performance. ESG factors put the ‘long-term’ in long-term investing. The Investment Manager focuses on understanding the ESG risks and opportunities of investments alongside other financial metrics to make better investment decisions. The Investment Manager aims for better risk-adjusted returns by actively undertaking informed and constructive engagement and asset management to generate better performance from the investments. This helps to enhance the value of clients’ assets. Comprehensive assessment of ESG factors, combined with constructive company engagement, should lead to better long term performance for clients.

ESG Issues

The Company has no employees as the Board has delegated day to day management and administrative functions to Aberdeen Standard Fund Managers Limited. There are therefore no

disclosures to be made in respect of employees. The Company’s socially responsible investment policy is outlined above.

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 Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. In any event, the Board considers the Company’s supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

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

Viability Statement

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

In assessing the viability of the Company over the review period the Directors have conducted a robust review of the principal risks, focusing upon the following factors:

- The principal risks detailed in the Strategic Report;
- The ongoing relevance of the Company’s investment objective in the current environment;
- The demand for the Company’s Shares evidenced by the historical level of premium and or discount;
- The level of income generated by the Company;
- The level of gearing and requirement to re-finance or repay existing facilities in 2022;
- The liquidity of the Company’s portfolio including the results of stress test analysis performed by the Manager under a wide number of market scenarios; and,
- The flexibility of the Company’s bank facilities.

Overview of Strategy Continued

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

Future

The Board's view on the general outlook for the Company can be found in my Chairman's Statement on page 9 and 10 whilst the Investment Manager's views on the outlook for the portfolio are included on pages 20 and 21.

Nigel Cayzer,
Chairman
28 October 2020

Investment Manager's Review

Hugh Young,
Aberdeen Standard
Investments (Asia)
Limited



Overview

It was a tumultuous twelve months for financial markets, which ended the period lower. At first, stock prices retreated in the face of a slew of challenges, particularly rising trade friction between the world's two largest economies, the US and China, and the consequent threat to global economic growth. In the latter six months, markets continued to whipsaw between recession fears stemming from the Covid-19 pandemic, and hopes that the impact would be blunted by the unprecedented fiscal and monetary measures unleashed by governments and central banks.

Amid this fast-changing backdrop, your Company's net asset value (NAV) fell by 13.6% in the 12 months to July, compared to a decline of 2.5% in the MSCI Asia Pacific ex Japan Small Cap index.

While the portfolio's performance is disappointing, we would like to note that our focus has never been on what is in the benchmark, but rather on listed companies with a market value of US\$1.5 billion at most, which is at the lower end of the Asia small cap index, thereby excluding a broad swathe of companies in China, given the size of that market. Although this smaller and less liquid segment of the market has not been the most popular with investors in recent years, the indiscriminate selloff during the pandemic saw the share prices of many good-quality companies drop to attractive levels. These firms are not as well-researched or followed by market participants, which provides opportunities for us to capitalise on. Our disciplined research process has allowed us to identify which of these companies to include in the portfolio.

Under these trying times, we have been evolving our strategy to ensure that your Company is well-positioned in a substantially changed world as a result of the far-reaching impact of Covid-19.

For example, a key shift has been to add more growth-oriented businesses with intact earnings drivers. This decision has borne fruit, with the new, carefully-selected investments consistently among the Trust's top performers. This has helped your portfolio gain a more 'balanced' stance, through a combination of long-held companies in traditional, defensive industries, alongside those with bright prospects in 'new economy' sectors, including information technology. In the meantime, we have been vigilant in monitoring a number of promising names, with the intent of adding them to your portfolio when valuations turn compelling.

Portfolio Review and Activity

In the period under review, the portfolio's significant exposure to so-called 'old economy' sectors, such as industrials, consumer discretionary and financials, proved costly due to the impact of the widespread lockdowns on traditional businesses.

Hospitality holdings, such as **Lemon Tree Hotels** and **Millennium & Copthorne Hotels (M&C)**, were among the casualties as the travel sector across the globe was decimated. Although India-based Lemon Tree Hotels' finances were improved by a capital injection from a major shareholder, the uncertainty of when local and international travel will return prompted an exit. As for M&C, its healthy cash pile and its hotels' prime locations should allow the New Zealand-listed group to weather the storm and emerge in a better position than peers.

Mounting levels of bad debt from businesses hit by Covid-19 meant that the earnings of lenders, such as Thailand's **Aeon Thana Sinsap** and Malaysia's **Aeon Credit Service**, were also inevitably affected. Nevertheless, we believe Aeon Thana's results should improve in the next few quarters as provisions set aside for non-performing loans recede amid the domestic economic recovery and as valuations have reached historical lows. Meanwhile, we think Aeon Credit's conservative approach to lending should help keep credit costs under control. We are fairly sanguine about its long-term growth prospects because private consumption, its key target market, remains relatively intact.

While many companies have found the going tough during the pandemic, others have emerged as winners. Notably, the technology sector has been a key beneficiary of the Covid-19 pandemic. As social distancing forced people to remain indoors, more of them began to rely on digital services including online payment systems, e-commerce and work-from-home solutions. From this perspective, the introduction of technology-related holdings to your Company's portfolio since 2018 has proven prescient.

Investment Manager's Review Continued

Among these are Singapore-listed **AEM Holdings**, South Korea's **Park Systems** and Thailand's **Hana Microelectronics**. Their shares were buoyed by the momentum created by the surge in demand for equipment, such as laptops and smartphones. AEM's stock, particularly, has appreciated robustly since it was initiated. The company's exposure to global growth trends including 5G networks, fintech and artificial intelligence learning will help diversify its business, while its investments into talent and technology have given it a leg up over competitors. In Taiwan, leading online retailer **MoMo.com Inc's** share price rose by a similar magnitude as it benefited from homebound consumers turning to the internet to buy their daily necessities. With the advantages of limited competition and low rates of e-commerce penetration in the island, MoMo.com remains one of the Trust's core holdings. Elsewhere, **Affle India**, which we initiated during the year, was also able to tap on this shift to online shopping through its mobile-marketing platforms.

In the healthcare sector, the portfolio's holdings in **Sanofi India** and **Syngene** rallied, on optimism that the industry would benefit from greater awareness and increased spending on healthcare by governments and businesses as a result of Covid-19. We introduced the latter in 2020.

As part of the disciplined investment approach, we have been reassessing the investment theses of your Company's underlying holdings on an ongoing basis. We do this through diligent first-hand research and frequent engagement with the companies' management.

During the period, we divested some 10 holdings. Apart from Lemon Tree mentioned above, other notable exits include Hong Kong retailer **Giordano**. Despite its prudence in managing its balance sheet and returning cash to shareholders, the outlook for its business and for retailers with physical stores more broadly, remains challenging.

Elsewhere, we took advantage of share-price strength to divest **Ramco Cements** amid concerns about the stability of cement prices in South India due to intensifying competition and low utilisation rates.

Others were sold because of waning confidence in their business outlook. They included Australia's Citadel Group and **ARB Corporation**, India's **City Union Bank**, Singapore's **Straits Trading**, Sri Lanka's Aitken Spence and Indonesia's **Wintermar Offshore Marine**.

We also exited **Asia Satellite Telecom** after accepting a takeover offer at a reasonable price.

The proceeds from these divestments were used to introduce businesses with solid balance sheets, robust competitive advantages and attractive growth prospects.

Aside from Affle India mentioned above, we continue to seek out small-cap names that occupy interesting technology niches. These are well-positioned to grow as various structural trends in the sector pick up pace.

One such addition was South Korea's **Koh Young Technology**. As a leader in the highly-specialised market of 3D inspection for circuit boards, it is set to benefit from the increased complexity of chip-making, driven by structural trends such as 5G networks, vehicle electrification and artificial intelligence.

Meanwhile, we added to the portfolio's Thai exposure by participating in the public offering of bio-waste energy producer **Absolute Clean Energy**. The company has a good track record in operating 13 power plants, with another 20 in the pipeline. Furthermore, government measures to promote renewable energy support its ambitious growth plans, and we were impressed by management's focus and technical know-how.

Finally, we initiated some 'old economy' names which seemed to offer good quality. These include India's **Ujjivan Financial Services** (UFS), the parent of Ujjivan Small Finance Bank (UFSB). UFS is a cheaper proxy for USFB, and is one of the more promising small-cap firms in India's financial sector. Despite its short history as a small-finance bank, it has done well in managing its micro-financing loan book. With a good digital strategy and capable management, the lender is on track to achieve a more balanced portfolio mix that serves both the lower-income and mass-market segments. Growth of its deposit franchises will also provide a more sustainable funding source.

We also took advantage of share-price weakness to initiate Singapore's **Raffles Medical**, a leading hospital and clinic provider, which has attractive long-term prospects, fuelled by expansion into China.

Outlook

The short-term outlook for Asia is cloudy, with the resurgence of Covid-19 infections threatening to derail the nascent recovery. As investors grapple with the still-unfolding pandemic, we expect more volatility in the months ahead. Adding to the uncertainty is the flaring tension between Washington and Beijing in the lead-up to the US presidential elections this November. Nevertheless, we are encouraged by improving economic data from several Asian economies, and we expect to see healthier numbers as more countries re-open for business. Additionally, accommodative fiscal and monetary policies across the globe should continue to support stock prices.

While Asia is home to many good quality small companies, market research remains scant. We have an experienced and well-resourced team of managers stationed across key markets in the region, providing us front-row seats to the rapidly-changing investment landscape that is being shaped by long-term structural changes. These include rising consumerism, increased demand for financial and healthcare services and the expansion of new technologies, catering to nearly two-thirds of the world's population. Furthermore, Asian countries' relatively effective containment of the virus mean that these companies with a mainly domestic focus should be among the first to recover. We remain committed to our bottom-up investing approach, with an emphasis on seeking out good quality companies at attractive valuations, while actively engaging with their management to ensure robust corporate governance and high standards of sustainability. This should continue to stand your Company in good stead in the long run.

Hugh Young,
Aberdeen Standard Investments (Asia) Limited
Investment Manager
28 October 2020

Results

Performance (Total Return)

	1 year % return	3 year % return	5 year % return	10 year % return	Since inception
Share price ^A	-13.2	-3.0	+34.5	+131.9	+1448.4
Net asset value per Ordinary share – diluted ^{AB}	-13.6	-3.1	+32.4	+128.0	+1492.8
MSCI AC Asia Pacific ex Japan Index (currency adjusted)	+1.9	+14.4	+69.0	+119.0	+414.9
MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted)	-2.5	+3.4	+40.9	+66.4	n/a

^A Considered to be an Alternative Performance Measure (see page 90 for more information).

^B 1 year return calculated on an undiluted basis as CULS is "out of the money". All other returns are calculated on a diluted basis.

Source: Standard Life Aberdeen, Morningstar, Lipper & MSCI

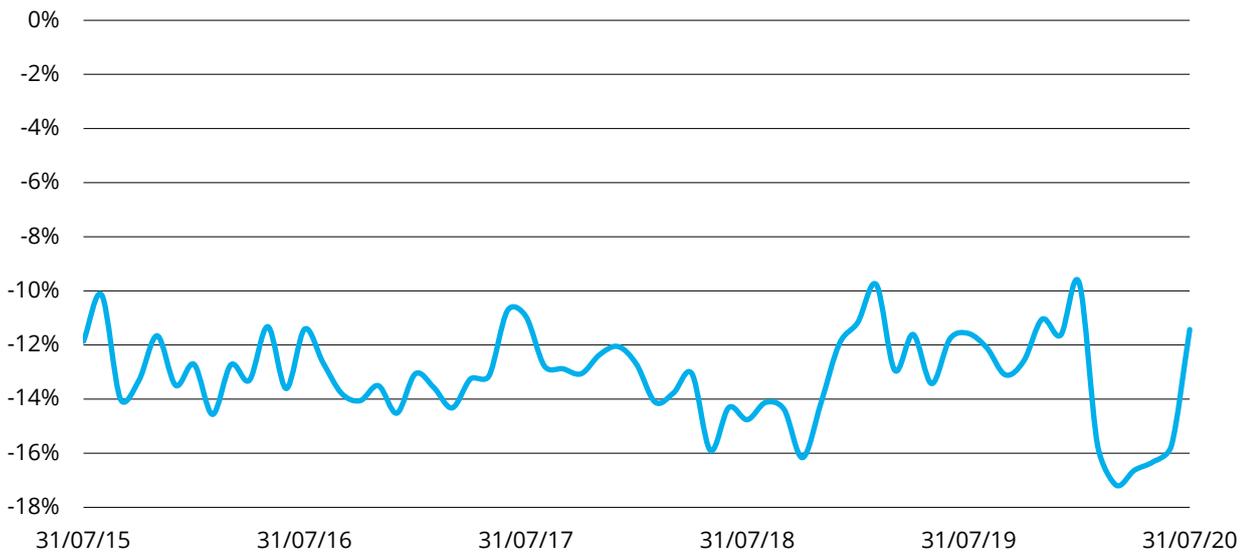
Ten Year Financial Record

Year to 31 July	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total revenue (£'000)	8,380	9,168	11,512	11,427	14,746	10,992	13,896	14,673	14,632	13,595
Per share (p)										
Net revenue return	15.42	13.18	13.84	11.43	18.21	9.22	19.31	19.27	21.64	21.45
Total return	137.91	68.56	275.43	(31.46)	(50.13)	165.38	172.29	36.78	78.18	(182.57)
Net ordinary dividends paid/proposed	9.50	9.50	10.00	10.00	10.50	10.50	12.00	13.00	14.00	14.50
Net special dividends paid/proposed	2.80	3.00	3.00	3.00	4.50	-	4.00	4.00	5.00	4.50
Net asset value per share (p)										
Basic	686.39	746.55	1,013.82	968.89	906.16	1,068.92	1,235.45	1,231.83	1,300.56	1,106.45
Diluted	n/a	n/a	992.81	952.52	896.31	1,042.99	1,192.49	n/a	n/a	n/a
Shareholders' funds (£'000)	239,965	260,994	382,932	369,118	343,967	383,735	430,105	433,706	441,010	358,956

Performance

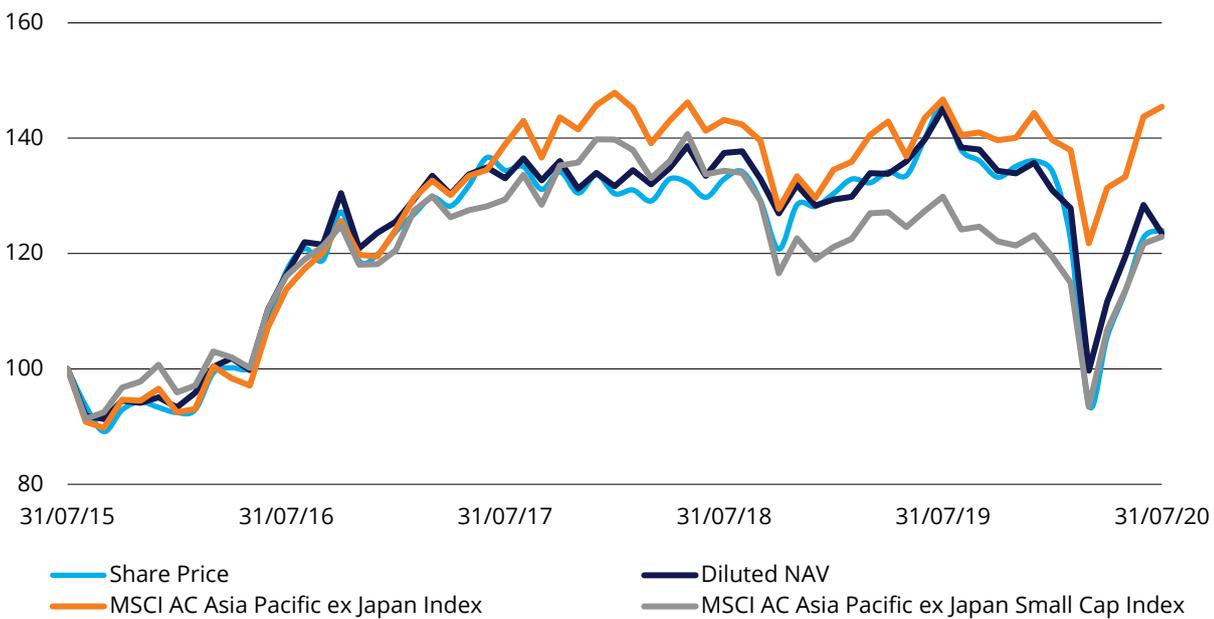
Share Price Premium/(Discount) to Diluted Net Asset Value

Five years to 31 July 2020



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

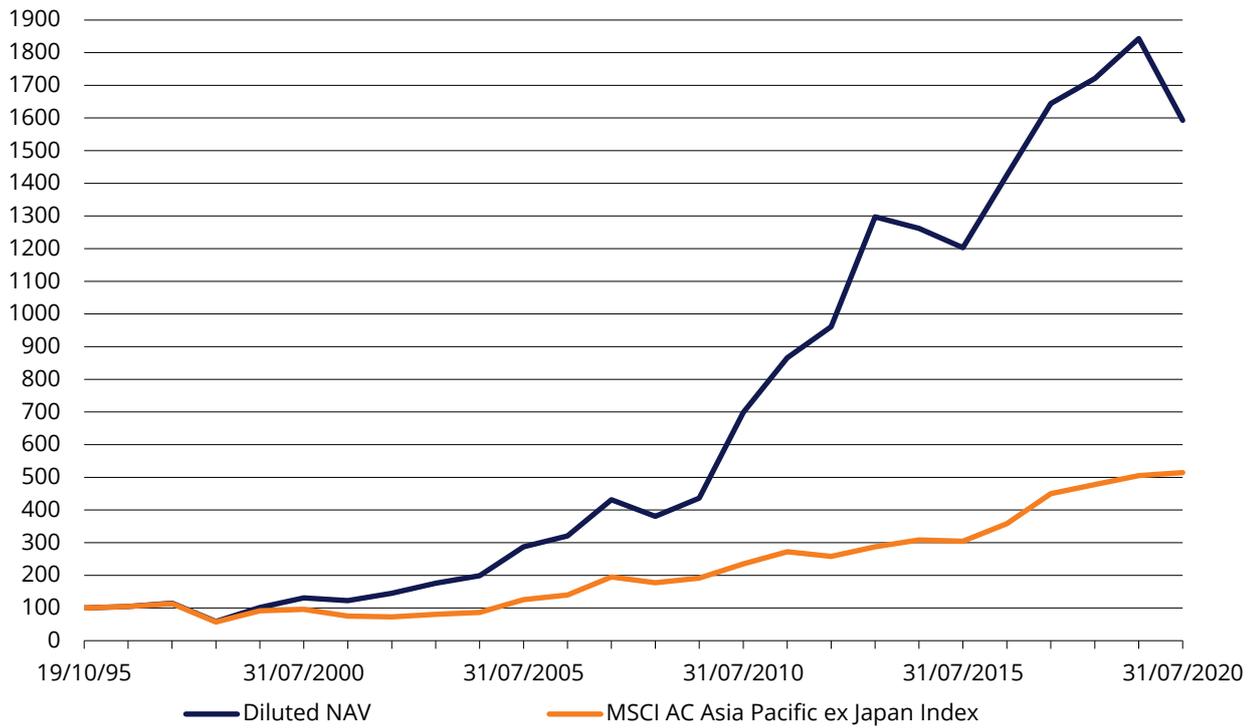
Five years to 31 July 2020 (rebased to 100 as at 31/07/15)



Performance Continued

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

19 October 1995 to 31 July 2020 (rebased to 100 as at 19/10/95)



Portfolio

For the Managers a benchmark is for measurement not a portfolio construction tool. Aberdeen Standard Investments are buy-and-hold investors, meaning in theory a good company is one they may hold forever. They invest in companies that they believe they understand and can value. Companies in the portfolio are held for the longer term; the average holding period for example is eight years.



Ten Largest Investments

As at 31 July 2020

<p>4.0%</p> <p>Total assets</p>	<p>MOMO.com</p> <p>Momo, the largest online retailer in Taiwan, serves as a nice proxy for consumer growth in the country, as it is benefiting from the shift to online from both consumers and vendors.</p>	<p>3.6%</p> <p>Total assets</p>	<p>AEM Holdings</p> <p>A Singapore-based provider of advanced semiconductor chip testing services that has embedded itself in chipmaker Intel's global supply chain.</p>
<p>3.4%</p> <p>Total assets</p>	<p>Bank OCBC NISP</p> <p>The Indonesian subsidiary of Singapore-based OCBC Bank offers banking and financial services and is focused on expanding its digital banking solutions.</p>	<p>3.0%</p> <p>Total assets</p>	<p>Asian Terminals</p> <p>One of the Philippines' main port operators. It manages and operates Port of Manila South Harbour Container Terminal, Port of Batangas, Port of General Santos and the Inland Clearance Depot yard in Calamba, Laguna.</p>
<p>3.0%</p> <p>Total assets</p>	<p>Cebu Holdings</p> <p>The Philippine company, a subsidiary of Ayala Land, is the largest property developer in Cebu with a decent land bank.</p>	<p>3.0%</p> <p>Total assets</p>	<p>Hana Microelectronics (Foreign)</p> <p>Thai company with diversified product lines in IC packaging and microelectronics, proven management ability to manage through cycles, debt-free balance sheet and strong cash flow.</p>
<p>2.9%</p> <p>Total assets</p>	<p>John Keells Holdings</p> <p>A respected and reputable Sri Lanka conglomerate with a healthy balance sheet and good execution, John Keells has a hotels and leisure segment that includes properties in the Maldives. It has other interests in consumer (food and beverages, ice cream, retail and supermarket), transportation (bunkering and container port) and financial services (banking and life insurance).</p>	<p>2.8%</p> <p>Total assets</p>	<p>Park Systems Corporation</p> <p>The Korean company is the leading developer of atomic force microscopes, a nascent technology that could have broad industrial application in sectors such as chip-making and biotechnology. The company's financials are sound, despite significant upfront sales and distribution costs, which provides a solid base for earnings to grow when orders start to roll in.</p>
<p>2.6%</p> <p>Total assets</p>	<p>Mega Lifesciences (Foreign)</p> <p>The Thai group produces, sells and distributes health supplements and pharmaceutical products mostly in the under-penetrated but fast-growing frontier and emerging markets. Its first mover advantage in these markets, coupled with a strong brand, has enabled Mega to maintain its high margins over the past several years, while growing revenue.</p>	<p>2.5%</p> <p>Total assets</p>	<p>Convenience Retail Asia</p> <p>The Hong Kong retailer operates a well run network of convenience stores that provide steady cashflows with growth coming from new businesses such as Zoff eyewear. It has been defensive owing to its nimbleness in adjusting its product mix and pays a steady growing dividend.</p>

Investment Portfolio

As at 31 July 2020

Company	Industry	Country	Valuation 2020 £'000	Total assets %	Valuation 2019 £'000
MOMO.com	Internet & Direct Marketing Retail	Taiwan	16,146	4.0	7,156
AEM Holdings	Semiconductors & Semiconductor Equipment	Singapore	14,611	3.6	9,237
Bank OCBC NISP	Banks	Indonesia	13,769	3.4	19,243
Asian Terminals	Transportation Infrastructure	Philippines	12,315	3.0	14,970
Cebu Holdings	Real Estate Management & Development	Philippines	12,271	3.0	13,179
Hana Microelectronics (Foreign)	Electronic Equipment, Instruments & Components	Thailand	12,078	3.0	12,697
John Keells Holdings	Industrial Conglomerates	Sri Lanka	11,972	2.9	15,825
Park Systems Corporation	Electronic Equipment, Instruments & Components	South Korea	11,377	2.8	4,644
Mega Lifesciences (Foreign)	Pharmaceuticals	Thailand	10,539	2.6	11,027
Convenience Retail Asia	Food & Staples Retailing	Hong Kong	10,064	2.5	12,653
Top ten investments			125,142	30.8	
Sporton International	Professional Services	Taiwan	10,030	2.5	7,504
Ultrajaya Milk Industry & Trading	Food Products	Indonesia	9,894	2.5	11,519
M.P. Evans Group	Food Products	United Kingdom	9,886	2.5	11,576
Oriental Holdings	Automobiles	Malaysia	9,762	2.4	13,184
Dah Sing Financial Holdings	Banks	Hong Kong	9,256	2.3	9,143
Sanofi India	Pharmaceuticals	India	9,047	2.2	11,344
Aegis Logistics	Oil, Gas & Consumable Fuels	India	8,984	2.2	9,916
Precision Tsugami China Corporation	Machinery	China	8,647	2.1	8,465
Yoma Strategic Holdings	Real Estate Management & Development	Myanmar	8,628	2.1	8,140
Millennium & Copthorne Hotels New Zealand ^A	Hotels, Restaurants & Leisure	New Zealand	8,453	2.1	14,077
Top twenty investments			217,729	53.7	

As at 31 July 2020

Company	Industry	Country	Valuation 2020 £'000	Total assets %	Valuation 2019 £'000
Nam Long Invst Corporation	Real Estate Management & Development	Vietnam	8,370	2.1	5,272
United International Enterprises	Food Products	Denmark	8,187	2.0	8,083
Godrej Agrovet	Food Products	India	8,101	2.0	9,364
Affle India	Media	India	7,473	1.9	-
Sunonwealth Electric Machinery Industry	Machinery	Taiwan	7,425	1.8	4,781
First Sponsor Group ^A	Real Estate Management & Development	Singapore	7,223	1.8	11,092
Shangri-La Hotels Malaysia	Hotels, Restaurants & Leisure	Malaysia	7,094	1.7	9,893
Thai Stanley Electric (Foreign)	Auto Components	Thailand	7,034	1.7	10,305
Ujjivan Financial Services	Consumer Finance	India	6,999	1.7	-
United Plantations	Food Products	Malaysia	6,737	1.7	6,923
Top thirty investments			292,372	72.1	
Bukit Sembawang Estates	Real Estate Management & Development	Singapore	6,598	1.6	11,436
Cyient	Software	India	6,151	1.5	3,669
AEON Credit Service (M)	Consumer Finance	Malaysia	6,099	1.5	12,998
Absolute Clean Energy (ACE)	Independent Power and Renewables	Thailand	5,784	1.4	-
FPT Corporation	Electronic Equipment, Instruments & Components	Vietnam	5,569	1.4	5,344
Eastern Water Resources Development & Management (Foreign)	Water Utilities	Thailand	5,398	1.3	10,608
Douzone Bizon	Software	South Korea	5,308	1.3	9,058
AKR Corporindo	Trading Companies & Distributors	Indonesia	4,939	1.2	6,570
AEON Credit Service (Asia)	Consumer Finance	Hong Kong	4,815	1.2	6,561
Koh Young Technology	Semiconductors & Semiconductor Equipment	South Korea	4,798	1.2	-
Top forty investments			347,831	85.7	

Investment Portfolio Continued

As at 31 July 2020

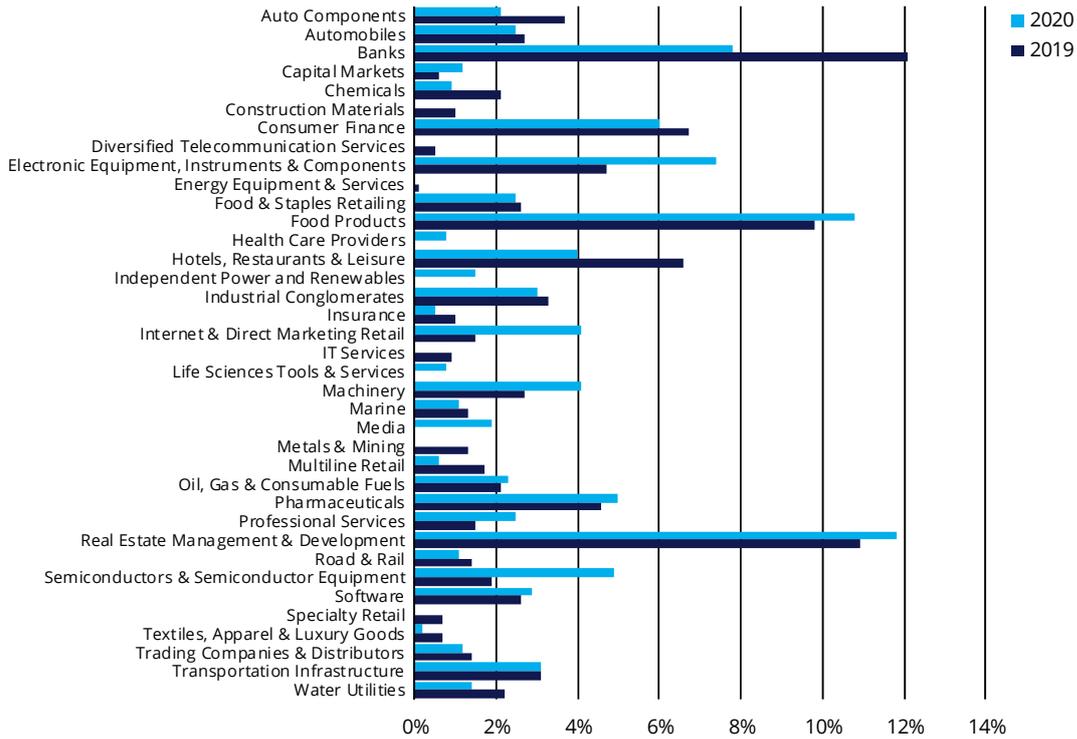
Company	Industry	Country	Valuation 2020 £'000	Total assets %	Valuation 2019 £'000
AEON Thana Sinsap Thailand (Foreign)	Consumer Finance	Thailand	4,550	1.1	11,684
Pacific Basin Shipping	Marine	Hong Kong	4,476	1.1	6,409
Tisco Financial Group (Foreign)	Banks	Thailand	4,263	1.1	12,252
SBS Transit	Road & Rail	Singapore	4,260	1.1	6,687
NZX	Capital Markets	New Zealand	4,250	1.0	2,922
Kansai Nerolac Paints	Chemicals	India	3,598	0.9	9,891
Syngene International	Life Sciences Tools & Services	India	3,205	0.8	-
Raffles Medical	Health Care Providers	Singapore	3,160	0.8	-
Prestige Estates Projects	Real Estate Management & Development	India	2,468	0.6	2,535
Public Financial Holdings	Banks	Hong Kong	2,187	0.5	5,885
Top fifty investments			384,248	94.7	
AEON Co (M)	Multiline Retail	Malaysia	1,715	0.4	6,444
Manulife Holdings	Insurance	Malaysia	1,502	0.4	2,327
DFCC Bank	Banks	Sri Lanka	1,244	0.3	2,359
Goodyear Thailand (Foreign)	Auto Components	Thailand	1,079	0.3	1,950
ORIX Leasing Pakistan	Consumer Finance	Pakistan	1,063	0.3	980
Kingmaker Footwear Holdings	Textiles, Apparel & Luxury Goods	Hong Kong	1,018	0.2	3,228
AEON Stores Hong Kong	Multiline Retail	Hong Kong	738	0.2	1,951
CDL Investments New Zealand	Real Estate Management & Development	New Zealand	656	0.1	621
YNH Property	Real Estate Management & Development	Malaysia	514	0.1	679
Pinnacle Investment Management	Capital Markets	Australia	260	0.1	-
Top sixty investments			394,037	97.1	
Thaire Life Assurance (Foreign)	Insurance	Thailand	176	0.1	2,416
Mustika Ratu	Personal Products	Indonesia	131	0.0	167
G3 Exploration	Oil, Gas & Consumable Fuels	China	123	0.0	462
Total investments			394,467	97.2	
Net current assets excluding bank loans			11,186	2.8	
Total assets^B			405,653	100.0	

^A Holding includes investment in both common and preference lines.

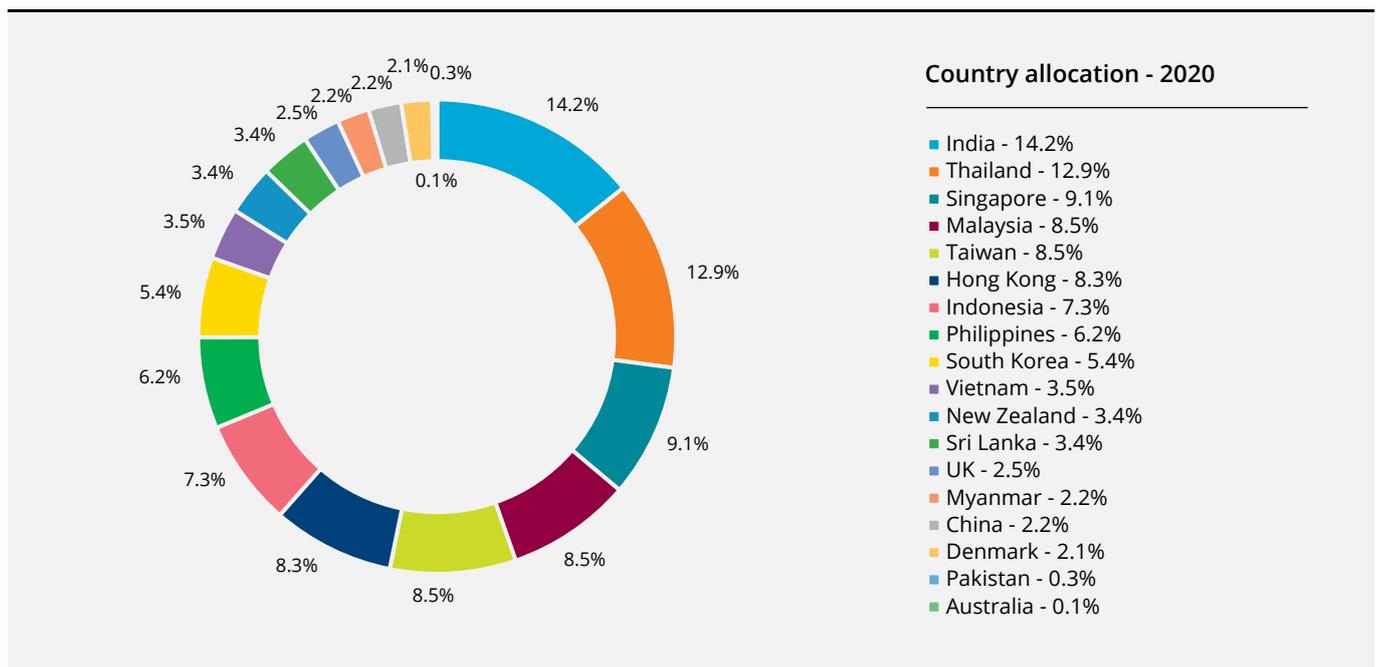
^B Total assets less current liabilities excluding bank loans.

Sector/Geographical Analysis

As at 31 July 2020
Sector Breakdown

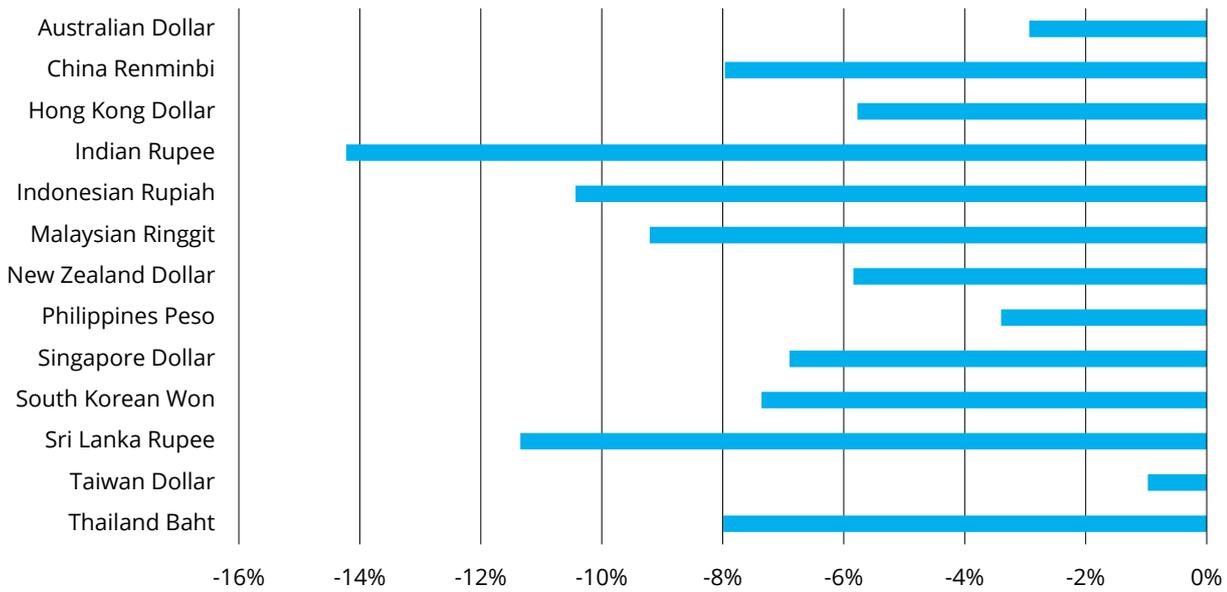


Geographic Breakdown

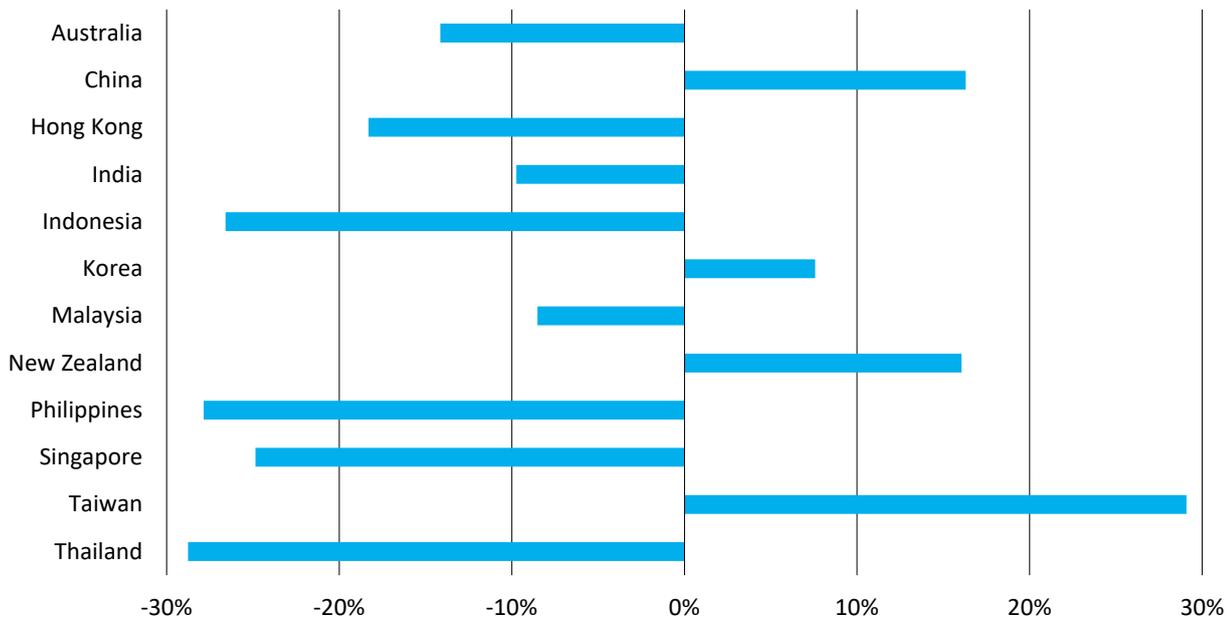


Currency/Market Performance

Currency Returns (in Sterling Terms)



MSCI Country Index Total Returns (in Sterling terms)



Investment Case Studies



In which year did we first invest?
2018

% Holding:
1.3%

Where is their head office?
Gangwon, Korea

What is their web address?
www.douzone.com

Douzone Bizon

What does the company do?

Douzone Bizon offers digital services that help small and medium enterprises in Korea manage and automate functions such as human resources and technology support. Aside from these enterprise resource planning (ERP) solutions, the company also offers other products and services such as tax accounting software, cloud solutions and electronic tax invoices.

Why do we like the investment?

We like Douzone's home advantage. The company tailors its products to local companies. For instance, it offers IT helpdesk services in Korean. The company is also quicker to react to changes in domestic software, regulations and technology. This has been a key driver behind its extended ERP and cloud business. There is also a lot of room for growth in domestic small and medium-sized enterprises, while competition is benign. High recurring revenues also result in healthy margins. Douzone is already profitable and has good cash flow. It is growing fast as it converts its customers to higher-margin cloud services, such as Wehago, and expands its addressable market. As its customer profile matures, it should see recurring revenues increase.

Amid the Covid-19 pandemic, the company has continued to execute well. Its order backlog has grown as it is seeing solid take-up for its high-end ERP and cloud solutions. This also reflects increasing demand for smart working environment solutions by SMEs. Its management is also positive about the outlook. It expects to capture large business deals from new government initiatives. These plans promote the use of contactless services, or "untact" services as known in Korea, to stop the spread of Covid-19 and to help the economy get back on track. The Digital New Deal, for instance, will see investments in technologies that enable "untact" services such as robots, drones and high-speed internet. It forms part of President Moon Jae-in's US\$62 billion five-year Korean New Deal stimulus package.

On the ESG front, environmental and social concerns are less of an issue for Douzone Bizon. Its solutions are helping SMEs better manage their data and data security. It is also helping its customers to improve productivity through cost savings, allowing them to expand and grow easier. The key risk is around governance. The company has a weak MSCI rating of B, which we think is justified given the small size of its board, lack of independence and poor disclosure around remuneration.

We view this as a key risk. Hence, we have been engaging with the company on the various ways it could improve its governance structures, and in turn, its MSCI rating. We think the company needs to first address its poor board composition. Its board include four directors, of which three are linked to management or the controller and only one is an outside director. We would also like to see better English reporting and more transparency around remuneration and talent retention. As a small cap in Korea, we expect progress on governance to be gradual, but we have been encouraged by their initial response and will continue to engage with the company on this front.

Investment Case Studies Continued

Sanofi India

What does the company do?

The company, owned by French group Sanofi, sells branded drugs as well as vitamins, minerals and supplements in India. Its drugs are used to treat diabetes (both insulins and orals), and in other areas including cardiology, thrombosis, anti-infectives and the central nervous system.

Why do we like the investment?

We see the company as a good play on rising healthcare spend in India. The pharmaceutical segment has huge growth potential. It is set to increase to US\$30 billion, or a compound growth rate of 8% a year, by financial year 2025 (India Pharma: Ample catalysts for steady growth, 26 August 2020, CLSA). India's population of over one billion is growing and ageing. An estimated eight to nine million will enter the 50-plus age bracket each year for the next 20 years. Indians are spending more on healthcare, as chronic illnesses such as cardiac, diabetes and cancer rise. Access to proper healthcare treatment is still low. India is a branded market. Even in rural areas with lower spending power, branded generics dominate. This means players with strong brand equity will have the edge.

In the industry, we favour Sanofi because of its strong track record in the domestic market. It gets solid pipeline support from its parent group, which sees India as a growth market. A good example was the launch of Toujeo in India, within three years of its launch in the US. This suggests that its parent group is keen to place innovative products in India. The company also has an impressive track record and strong brands. Of its brands, Lantus is the no.1 brand in basal analog insulins and Allegra is the no.1 antihistamine brand in India. With a presence in India since the 1950s, Sanofi has good distribution reach across the country.

With the Covid-19 outbreak, Sanofi has been ensuring that its factories and worksites comply with the safety measures. Some of its employees have been working from home since the middle of March to stay safe and conform to the lockdown guidelines. Digital investments over the past few years has enabled employees to work from home smoothly (Sanofi India's 2019 Annual Report). In other ways, the company is adapting to the increased digital and agile needs during the pandemic. For instance, it is working with its partners to deliver agile processes that will enable Sanofi to customise its services to patients. Its salesforce is also using mobile devices to generate real-time insights to better engage its healthcare customers.

Meanwhile, the company has a respectable MSCI ESG rating of BBB. It scores well on the environmental and social aspects. Sanofi has several products and vaccines in its portfolio, targeting diseases that are prevalent in developing countries. With 70% of its operations in India, the company is able to benefit from the growth in emerging markets. It is also improving access to health in underserved areas. As of August 2019, the company has not received any regulatory warnings or recalled any products in the past three years (MSCI).



In which year did we first invest?

2003

% Holding:

2.2%

Where is their head office?

Mumbai, India

What is their web address?

www.sanofi.com



Governance

The business of the Company is that of an investment trust investing in the economies of Asia and Australasia excluding Japan. The Directors do not envisage any change in this activity in the foreseeable future. The Company is registered as a public limited company in England and Wales and is an investment company as defined by Section 833 of the Companies Act 2006. The Company is also a member of the Association of Investment Companies.

Your Board of Directors

The current Directors, all of whom are non-executive and the majority of whom are independent of the Manager and Investment Manager, are listed below. The Directors supervise the management of the Company and represent the interests of shareholders.



Your Board of Directors Continued

Nigel Cayzer



Status:

Independent Non-Executive
Chairman

Experience:

Chairman of Oryx International Growth Fund Limited and a director of a number of other companies.

Length of service:

25 years, appointed Chairman on 28 September 1995

Last re-elected to the Board:

4 December 2019

Committee membership:

Nomination Committee (Chairman) and Management Engagement Committee

Remuneration:

£35,000 per annum

All other public company directorships:

Oryx International Growth Fund Limited

Employment by the Manager:

None

Other connections with Trust or Manager:

None

Shared Directorships with any other Trust Directors:

None

Shareholding in Company:

Nil

Charlotte Black



Status:

Independent Non-Executive Director

Experience:

A Fellow of the Chartered Institute for Securities & Investment and an independent public affairs consultant. She was until 2015 director, corporate affairs at Brewin Dolphin Holdings PLC, having previously served within that company as marketing director and in investment management roles. She has served on the boards of a number of industry related entities including The Wealth Management Association, The Chartered Institute for Securities & Investment and Euroclear PLC.

Length of service:

One year 10 Months, appointed a Director on 16 January 2019

Last re-elected to the Board:

Elected on 4 December 2019

Committee membership:

Audit Committee, Management Engagement Committee and Nomination Committee

Remuneration:

£27,000 per annum

All other public company directorships:

None

Employment by the Manager:

None

Other connections with Trust or Manager:

None

Shared Directorships with any other Trust Directors:

None

Shareholding in Company:

958 Ordinary shares

Randal Alexander McDonnell, Viscount Dunluce



Status:
Independent Non-Executive
Director

Experience:

A Partner of Sarasin & Partners LLP responsible for the management of private client and charity portfolios as well as self-invested personal pension schemes. He is chairman of Sarasin's London partnership. He is also a non-executive director of a number of other private companies.

Length of service:

7 years, appointed a Director on 1 July 2013

Last re-elected to the Board:

4 December 2019

Committee membership:

Management Engagement Committee, Nomination Committee and Audit Committee

Remuneration:

£27,000 per annum

All other public company directorships:

None

Employment by the Manager:

None

Other connections with Trust or Manager:

None

Shared Directorships with any other Trust Directors:

None

Shareholding in Company:

800 Ordinary shares

Martin Gilbert



Status:
Non-Executive Director

Experience:

Co-founder of Aberdeen Asset Management PLC and Chairman of Aberdeen Standard Investments until retirement in September 2020. He is the Senior Independent Director of Glencore plc, Chairman of Revolut Limited and a member of the International Advisory Panel of the Monetary Authority of Singapore.

Length of service:

25 years, appointed a Director on 20 September 1995

Last re-elected to the Board:

4 December 2019

Committee membership:

None

Remuneration:

Nil

All other public company directorships:

Aberdeen Global Income Fund Inc., Aberdeen Asia-Pacific Income Investment Company Ltd, Aberdeen Asia Pacific Income Fund Inc., Glencore plc, The India Fund, Inc. and The Asia Tigers Fund, Inc.

Employment by the Manager:

Former Vice Chairman of Standard Life Aberdeen and Chairman Aberdeen Standard Investments (retired 30 September 2020)

Other connections with Trust or Manager:

Director of a number of other Aberdeen Standard Investments-managed investment companies

Shared Directorships with any other Trust Directors:

None

Shareholding in Company:

118,750 Ordinary shares

Alternate Director:

Hugh Young

Your Board of Directors Continued

Debby Guthrie



Status:
Independent Non-Executive Director

Experience:

An experienced Japanese equity research salesman at Pelham Smithers Associates, having formerly been director, Yen equity sales at Bank of America Merrill Lynch and prior to that director, Japan equity sales at Smith New Court. As a first career, Debby worked in the Finance and Environment branches of the Hong Kong Government, as an Administrative Officer.

Length of service:

One year 10 months, appointed a Director on 16 January 2019

Last re-elected to the Board:

Elected on 4 December 2019

Committee membership:

Audit Committee (Chairman-designate), Management Engagement Committee and Nomination Committee

Remuneration:

£27,000 per annum

All other public company directorships:

JPMorgan Japan Smaller Companies Investment Trust PLC

Employment by the Manager:

None

Other connections with Trust or Manager:

None

Shared Directorships with any other Trust Directors:

None

Shareholding in Company:

4,690 Ordinary shares

Krishna Shanmuganathan



Status:
Independent Non-Executive Director

Experience:

Founded Scylax Partners in 2016 and prior to that was managing partner at Hakluyt & Company (Asia), a risk advisory company, having established and led the Asia Pacific offices of the firm, based in Singapore. Before that Krish held research and analyst roles at Fidelity International and Cambridge Associates after a successful and varied career in the Foreign & Commonwealth Office. He also holds a number of other non-executive appointments.

Length of service:

Appointed a Director on 3 June 2020

Last re-elected to the Board:

n/a

Committee membership:

Audit Committee, Management Engagement Committee and Nomination Committee

Remuneration:

£27,000 per annum

All other public company directorships:

None

Employment by the Manager:

None

Other connections with Trust or Manager:

None

Shared Directorships with any other Trust Directors:

None

Shareholding in Company:

1,054 Ordinary shares

Philip Yea



Status:

Independent Non-Executive Director

Experience:

Chief executive of 3i Group plc until 2009 and prior to that served as a managing director at Investcorp Bank the Bahrain listed private equity firm and was group finance director at Diageo plc. He is currently chairman of Equiniti Group Plc and Mondi PLC, a director of Marshall of Cambridge (Holdings) Limited and was formerly a trustee director of the Francis Crick Institute.

Length of service:

6 years, appointed a Director on 23 January 2014

Last re-elected to the Board:

4 December 2019

Committee membership:

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

Remuneration:

£30,000 per annum

All other public company directorships:

None

Employment by the Manager:

None

Other connections with Trust or Manager:

None

Shared Directorships with any other Trust Directors:

None

Shareholding in Company:

2,063 Ordinary shares

Hugh Young



Status:

Alternate Non-Executive Director for Martin Gilbert

Experience:

Previously an investment manager with Fidelity International and MGM Assurance prior to joining what is now Aberdeen Asset Managers Limited in December 1985. He is managing director of Aberdeen Standard Investments (Asia) Limited, responsible for all the Manager's investments in Asia.

Remuneration:

Nil

All other public company directorships:

Aberdeen New Dawn Investment Trust PLC, Aberdeen Asian Income Fund Limited, Aberdeen Australia Equity Fund Inc., Aberdeen Asia-Pacific Income Investment Company Limited Aberdeen Liquidity Fund (Lux) and The India Fund, Inc.

Employment by the Manager:

Managing Director of Aberdeen Standard Investments (Asia) Limited and a director of a number of other Aberdeen Standard Investments-managed investment companies

Other connections with Trust or Manager:

Mr Young is responsible for directing and overseeing the management of the Company's assets

Shareholding in Company:

149,535 Ordinary shares

Directors' Report

The Directors present their Report and the audited financial statements for the year ended 31 July 2020.

Results and Dividends

Details of the Company's results and proposed dividends are shown on page 22 of this Report.

Investment Trust Status

The Company (registered in England & Wales No. 03106339) has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 August 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 July 2020 so as to enable it to comply with the ongoing requirements for investment trust status.

Individual Savings Accounts

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

Capital Structure, Buybacks and Issuance

The Company's capital structure is summarised in note 14 to the financial statements. At 31 July 2020, there were 32,442,209 fully paid Ordinary shares of 25p each (2019 – 33,909,349 Ordinary shares) in issue with a further 9,293,918 Ordinary shares of 25p held in treasury (2019 – 7,809,662 treasury shares). During the year 1,484,256 Ordinary shares were purchased in the market for treasury (2019 – 1,302,650). Subsequent to the period a further 487,500 Ordinary shares have been purchased in the market for treasury. During the period and up to the date of this report no new Ordinary shares were issued for cash at a premium to the prevailing NAV per share and no shares were sold from treasury.

On 13 December 2019, 238,951 units of Convertible Unsecured Loan Stock 2025 were converted into 16,302 new Ordinary shares. On 12 June 2020 12,050 units of Convertible Unsecured Loan Stock 2025 were converted into 814 new Ordinary shares. In accordance with the terms of the CULS Issue, the conversion price of the CULS for both conversions was determined at 1465.0 pence nominal of CULS for one Ordinary share.

Voting Rights

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends. On a winding up, after meeting the liabilities of the Company, the surplus

assets will be paid to Ordinary shareholders in proportion to their shareholdings.

CULS holders have the right to attend but not vote at general meetings of the Company. A separate resolution of CULS holders would be required to be passed before any modification or compromise of the rights attaching to the CULS can be made.

Borrowings

On 5 June 2020, the Company entered into a new two year multicurrency revolving loan facility of £20 million with The Royal Bank of Scotland International Limited (the "Loan Facility"), which replaced the Company's \$25m loan facility with RBSI, which matured on 5 June 2020. £18.2 million was drawn down under the new loan facility and has been used to repay the maturing loan. At 31 July 2020 £11.2 million had been drawn down under the Loan Facility.

On 20 October 2020 the Board announced that it had agreed terms (through the acceptance of a conditional offer that is subject to diligence and agreement of legal documentation) to extend and secure the Company's long-term borrowings through the issuance of a £30 million 15 year Senior Unsecured Loan Note (the "Loan Note") at an annualised interest rate of 3.05%. The Loan Note will be unsecured, unlisted and denominated in sterling. The Loan Note shall rank *pari passu* with the Company's other unsecured and unsubordinated financial indebtedness. The Company intends to use the proceeds of the Loan Note to repay, and cancel in full, the Company's Loan Facility. The remainder will be available for the Company's Manager to invest on behalf of the Company.

Management Agreement

The Company has appointed Aberdeen Standard Fund Managers Limited ("ASFML"), a wholly owned subsidiary of Standard Life Aberdeen plc, as its alternative investment fund manager. ASFML has been appointed to provide investment management, risk management, administration and company secretarial services and promotional activities to the Company. The Company's portfolio is managed by Aberdeen Standard Investments (Asia) Limited ("ASI Asia") by way of a group delegation agreement in place between ASFML and ASI Asia. In addition, ASFML has sub-delegated administrative and secretarial services to Aberdeen Asset Management PLC and promotional activities to Aberdeen Asset Managers Limited ("AAML").

Management Fee

With effect from 1 November 2018, the management fee has been payable monthly in arrears at the rate of 0.08% of the Market Cap (as defined below) per calendar month, exclusive of

Value Added Tax where applicable. "Market Cap" for the above is defined as the market capitalisation of the Company, based on the closing Ordinary share price quoted on the London Stock Exchange multiplied by the Ordinary shares in issue (less the number of any Ordinary shares held in Treasury), as determined on the last business day of the applicable calendar month to which the remuneration relates.

The management agreement may be terminated by either the Company or the Manager on the expiry of twelve months' written notice. On termination, the Manager would be entitled to receive fees which would otherwise have been due to that date.

The Management Engagement Committee reviews the terms of the management agreement on a regular basis and have confirmed that, due to the long-term relative performance, investment skills, experience and commitment of the investment management team, in their opinion the continuing appointment of ASFML and ASI Asia is in the interests of shareholders as a whole.

Political and Charitable Donations

The Company does not make political donations (2019 - nil) and has not made any charitable donations during the year (2019 - nil).

Risk Management

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 19 to the financial statements.

The Board

The current Directors, N K Cayzer, Randal Dunluce (Viscount Dunluce), M J Gilbert (alternate H Young), P Yea, C Black and D Guthrie, together with H Fukuda who retired on 31 March 2020 and K Shanmuganathan who was appointed on 3 June 2020 were the only Directors who served during the year. Pursuant to Principle 23 of the AIC's Code of Corporate Governance which recommends that all directors should be subject to annual re-election by shareholders, all the members of the Board, with the exception of Mr Yea and Mr Shanmuganathan, will retire at the AGM scheduled for 1 December 2020 (the "2020 AGM") and will offer themselves for re-election. Details of each Directors' contribution to the long term success of the Company are provided on page 45. In accordance with the Articles of Association, Mr Shanmuganathan, having been appointed to the Board on 3 June 2020, will retire from the Board at the 2020 AGM and, being eligible, seek election. Mr Yea has indicated that he intends to retire as a Director of the Company with effect from the close of business of the 2020 AGM.

The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all the Directors contribute effectively.

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

The Role of the Chairman

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 Company has not appointed a senior independent director. Accordingly the Audit Committee Chairman in combination with the other independent Directors fulfil the duties of the senior independent director, acting as a sounding board for the Chairman and acting as an intermediary for other directors as applicable. The Audit Committee Chairman is also available to shareholders to discuss any concerns they may have.

Corporate Governance

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

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

Directors' Report continued

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

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

1. interaction with the workforce (provisions 2, 5 and 6);
2. the role and responsibility of the chief executive (provisions 9 and 14);
3. previous experience of the chairman of a remuneration committee (provision 32);
4. executive directors' remuneration (provisions 33 and 36 to 40);
5. senior independent director (provision 12); and
6. tenure of the Chairman (provision 19).

For the reasons set out in the AIC Code, and as explained in the UK Corporate Governance Code, the Board considers that provisions 1 to 4 above are not relevant to the position of the Company, being an externally-managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of provisions 1 to 4 above. The tenure of the Chairman is discussed further under 'Policy on Tenure', below. The full text of the Company's Corporate Governance Statement can be found on the Company's website: asia-focus.co.uk.

During the year ended 31 July 2020, the Board had five scheduled meetings. In addition, the Audit Committee met twice and the Management Engagement Committee met once. Between meetings the Board maintains regular contact with the Manager. Directors have attended the following scheduled Board meetings and Committee meetings during the year ended 31 July 2020 (with their eligibility to attend the relevant meeting in brackets):

Director	Board	Audit Com.	Nomination Com.	Management Engagement Com.
N Cayzer ^A	5 (5)	n/a	2 (2)	1 (1)
C Black	5 (5)	2 (2)	2 (2)	1 (1)
Viscount Dunluce	5 (5)	2 (2)	2 (2)	1 (1)
M Gilbert ^{ABC}	5 (5)	n/a	n/a	n/a
D Guthrie	5 (5)	2 (2)	2 (2)	1 (1)
K Shanmuganathan ^E	1 (1)	0 (0)	0 (0)	0 (0)
P Yea	5 (5)	2 (2)	2 (2)	1 (1)
H Fukuda ^D	3 (3)	n/a	1 (1)	1 (1)

^A Mr Cayzer and Mr Gilbert were not members of the Audit Committee during the year

^B Including attendance by Mr Young as Alternate Director to Mr Gilbert

^C Mr Gilbert is not a member of the Nomination or Management Engagement Committees

^D Ms Fukuda retired from the Board on 31 March 2020

^E Mr Shanmuganathan was appointed to the Board on 3 June 2020

Policy on Tenure - Chairman

The Company's policy, which is kept under very regular review, is in line with the Listing Rules, the Chairman must remain independent of the Manager. The independent Directors, excluding the Chairman, have reviewed the Company's policy on the tenure of the Chairman in the light of the recent changes to the UK Corporate Governance Code. The review focused on the independence of the Chairman from the Manager and concluded that, notwithstanding the tenure of the Chairman he remains completely independent of the Manager. In forming this conclusion the independent Directors were able to draw upon the Chairman's demonstrable track record which includes:

- Overseeing the refreshment of the Board;
- Overseeing the introduction of a revised investment policy in 2018;
- Encouraging the Manager to proactively expand its focus on the smaller company investment universe;
- Successfully negotiating a significant reduction in the level of management fee.

The independent Directors note that the Chairman has overseen the affairs of the Company through a number of significant and tumultuous Asian investment cycles and this experience and in-depth knowledge of the Company is extremely beneficial to the Directors, shareholders and all stakeholders alike.

Policy on Tenure - Directors

The Board's policy on tenure is that Directors need not serve on the Board for a limited period of time only. The Board does not consider that the length of service of a Director is as important as the contribution he or she has to make, and therefore the length of service will be determined on a case-by-case basis. In accordance with corporate governance best practice, all Directors, including those who have served for more than nine years or who are non-independent, voluntarily offer themselves for re-election on an annual basis.

The Board has noted that shareholder proxies representing 31% of the issued capital voted against the annual re-election of Mr Gilbert at the AGM held on 4 December 2019. The Board further notes the substantial support received from the shareholders with proxies representing 69% having voted in favour of Mr Gilbert's re-election and unanimous support from the shareholders in attendance at the AGM. Mr Gilbert is a non-independent Director and the Board has a rigorous procedure in place to ensure that only independent Directors are permitted to be present when any matters relating to the Manager are discussed and this process is enforced strictly. Mr Gilbert, or his Alternate Mr Young, have attended all of the five scheduled Board meetings in the year to 31 July 2020 and there are no issues relating to either Mr Gilbert or his Alternate not having sufficient time to dedicate to the Company. Furthermore, Mr Gilbert retired from Standard Life Aberdeen plc on 30 September 2020. The Board has a healthy mix of longer serving and more recently appointed Directors and the experience of the longer serving Directors has served the Company well through the investment cycles of the last 24 years and is valued by the Board as a whole.

Board Committees

Audit Committee

The Audit Committee Report is on pages 55 to 57 of this Annual Report.

Nomination Committee

All appointments to the Board of Directors are considered by the Nomination Committee which comprises all of the Directors except Mr Gilbert and his Alternate Mr Young and is chaired by Mr Cayzer. The Board's overriding priority in appointing new Directors to the Board is to identify the candidate with the best range of skills and experience to complement existing Directors. The Board also recognises the benefits of diversity and its policy on diversity is referred to in the Strategic Report on page 16.

During the year Mr Yea intimated his intention to retire from the Board at the conclusion of the 2020 AGM and the Nomination Committee initiated a search to find a new independent non executive Director. Historically the Company has used the services of an independent search consultant. However, in light of difficulties arising from the ongoing pandemic, on this occasion, the Directors drew up a specification for the appointment and established a shortlist of suitable candidates themselves. Following an interview process the Board appointed Mr Krishna Shanmuganathan as an independent non executive Director of the Company with effect from 3 June 2020.

The Board undertakes an annual evaluation of the Board, Directors, the Chairman and the Audit Committee which is conducted by questionnaires. The 2020 evaluation highlighted certain areas of further focus such as continuing professional development which will be addressed with input where necessary from the Company's advisors. Overall, the Committee has concluded that the Board has an excellent balance of experience, knowledge of investment markets, legal regulation and financial accounting and continues to work in a collegiate and effective manner.

The Nomination Committee has reviewed the contributions of each Director ahead of their proposed election and re-elections at the 2020 AGM. Notwithstanding that Mr Cayzer has served on the Board for more than nine years, the Committee is of the view that Mr Cayzer remains very independent of the Manager. He has continued to Chair meetings in an orderly, open and independent manner allowing sufficient time for key areas of focus whilst allowing all significant matters to be fully debated. Mr Gilbert has also served on the Board for more than nine years and is also deemed not to be independent as he is a former representative of the Manager. The Committee has reviewed the contribution from Mr Gilbert and concluded that he brings significant strategic and investment expertise to the Board. Ms Black has brought significant financial promotion and marketing expertise to the Board; Ms Guthrie has brought significant investment insight, investment trust expertise and attention to detail to the Board during the year; Viscount Dunluce has brought detailed wealth management investment experience and insight to the Board. Although Mr Yea has indicated his intention to retire from the Board at the 2020 AGM, the Committee notes his considerable technical financial expertise and contribution to the Company during the year through his chairmanship of the Audit Committee and Management Engagement Committee throughout the year. Mr Shanmuganathan has already brought significant regional strategic insight to the Board. For the foregoing reasons, the

Directors' Report continued

independent members of the Nomination Committee have no hesitation in recommending the election/re-election of each Director who will be submitting themselves for election/re-election at the 2020 AGM.

Management Engagement Committee

The Management Engagement Committee comprises all of the Directors except Mr Gilbert and his Alternate Mr Young and is chaired by Mr Yea. Ms Guthrie has agreed to become Chairman of the Management Committee following Mr Yea's retirement on 1 December 2020. The Committee reviews the performance of the Investment Manager and its compliance with the terms of the management and secretarial agreement. The terms and conditions of the Investment Manager's appointment, including an evaluation of fees, are reviewed by the Committee on an annual basis. The Committee believes that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole.

Remuneration Committee

Under the UK Listing Authority rules, where an investment trust has only non-executive directors, the Code principles relating to directors' remuneration do not apply. Accordingly, matters relating to remuneration are dealt with by the full Board, which acts as the Remuneration Committee, and is chaired by Mr Cayzer.

The Company's remuneration policy is to set remuneration at a level to attract individuals of a calibre appropriate to the Company's future development. Further information on remuneration is disclosed in the Directors' Remuneration Report on pages 51 to 53.

Terms of Reference

The terms of reference of all the Board Committees may be found on the Company's website asia-focus.co.uk and copies are available from the Company Secretary upon request. The terms of reference are reviewed and re-assessed by the Board for their adequacy on an annual basis.

Going Concern

In accordance with the Financial Reporting Council's guidance the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist of equity shares in companies listed on recognised stock exchanges and are considered by the Board to be realisable within a relatively short timescale under normal market conditions. The Board has set overall limits for borrowing and reviews regularly the Company's level of gearing, cash flow projections and compliance with banking covenants. The Board

has also reviewed stress testing and liquidity analysis covering the impact of significant historical market events such as the 1997 Asian Crisis and 2008 Global Financial Crisis on the liquidity of the portfolio to ensure that even in significant negative markets the Company would still be able to raise sufficient capital to repay its liabilities.

The Company's loan facilities were renegotiated in June 2020 and on 20 October 2020 the Board announced that it had agreed terms (through the acceptance of a conditional offer that is subject to diligence and agreement of legal documentation) to extend and secure the Company's long-term borrowings through the issuance of a £30 million 15 year Senior Unsecured Loan Note (the "Loan Note") at an annualised interest rate of 3.05%. The Loan Note will be unsecured, unlisted and denominated in sterling. The Loan Note will rank *pari passu* with the Company's other unsecured and unsubordinated financial indebtedness. The Company intends to use the proceeds of the Loan Note to repay, and cancel in full, the Company's loan facilities.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report on pages 14 to 16 and they believe that the Company has adequate financial resources to continue its operational existence for a period of not less than 12 months from the date of approval of this Annual Report. They have arrived at this conclusion having confirmed that the Company's diversified portfolio of realisable securities is sufficiently liquid and could be used to meet short-term funding requirements were they to arise, including in current market conditions caused by the Covid-19 pandemic. The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

Management of Conflicts of Interest

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his connected persons. The Board considers each Director's situation and decides whether to approve any conflict, taking into consideration what is in the best interests of the Company and whether the Director's ability to act in accordance with his or her wider duties is affected. Each Director is required to notify the Company Secretary of any potential, or actual, conflict situations that will need authorising by the Board. Authorisations given by the Board are reviewed at each Board meeting.

No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 18 to the financial statements. No other Directors had any interest in contracts with the Company during the period or subsequently.

The Board has adopted appropriate procedures designed to prevent bribery. The Company receives periodic reports from its service providers on the anti-bribery policies of these third parties. It also receives regular compliance reports from the Manager.

The Criminal Finances Act 2017 introduced a new corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all of its business in an honest and ethical manner. The Board takes a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country.

Accountability and Audit

The respective responsibilities of the Directors and the auditor in connection with the financial statements are set out on pages 54 and 65 respectively.

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,
- each Director has taken all the steps that they could reasonably be expected to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Additionally there have been no important events since the year end that impact this Annual Report.

The Directors have reviewed the level of non-audit services provided by the independent auditor during the year, together with the independent auditor's procedures in connection with the provision of such services, and remain satisfied that the auditor's objectivity and independence is being safeguarded.

Independent Auditor

Ernst & Young LLP and its associated audit firms ("EY") has been auditor to the Company since its launch in 1995 and will not be able to audit the Company from 2023. Therefore, in accordance with regulatory requirements the Board has conducted a tender for audit services during the year, culminating in a decision to

recommend to shareholders the appointment of PricewaterhouseCoopers LLP ("PwC") as independent auditor to the Company with effect from the AGM on 1 December 2020. PwC has expressed its willingness to become the Company's auditor and a Resolution to appoint PwC as the Company's auditor will be put to the forthcoming Annual General Meeting, along with a separate Resolution to authorise the Directors to fix the auditor's remuneration.

Internal Control

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness and confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements. It is regularly reviewed by the Board and accords with the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed.

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

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

The significant risks faced by the Company have been identified as being financial; operational; and compliance-related.

Directors' Report continued

The key components of the process designed by the Directors to provide effective internal control are outlined below:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Manager and Investment Manager as appropriate;
- as a matter of course the Manager's compliance department continually reviews Aberdeen Standard Investments' operations and reports to the Board on a six monthly basis;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third party service providers and, where relevant, ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations, or their equivalents are reviewed;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within Aberdeen Standard Investments, has decided to place reliance on the Manager's systems and internal audit procedures; and
- at its September 2020 meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 31 July 2020 by considering documentation from the Manager, Investment Manager and the Depositary, including the internal audit and compliance functions and taking account of events since 31 July 2020. The results of the assessment, that internal controls are satisfactory, were then reported to the Board at the next Board meeting.

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

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at 31 July 2020:

Shareholder	No. of Ordinary shares held	% held
City of London Investment Management Company	5,007,606	15.4
Aberdeen Standard Investments Savings Scheme (non-beneficial)	2,704,430	8.3
Wells Capital Management	2,417,856	7.5
Hargreaves Lansdown	1,978,761	6.1
Interactive Investor	1,967,204	6.1
Funds managed by Aberdeen Standard Investments	1,844,346	5.7
Charles Stanley	1,250,995	3.9
Investec Wealth & Management	1,017,799	3.1

On 22 October 2020 City of London Investment Management Company notified the Company that it had increased its interest in the Company to 5,764,041 Ordinary shares representing 18.0% of the issued capital. There have been no other significant changes notified in respect of the above holdings between 31 July 2020 and 28 October 2020.

The UK Stewardship Code and Proxy Voting

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the AIFM which has sub-delegated that authority to the Manager.

The Manager is a tier 1 signatory of the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report is widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Manager's freephone information service and the Company's website asia-focus.co.uk. The Company responds to letters from shareholders on a wide range of issues.

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

The Notice of the Annual General Meeting, included within the Annual Report and Accounts, is sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board or the Manager, either formally at the Company's Annual General Meeting or at the subsequent buffet luncheon for shareholders. The Company Secretary is available to answer general shareholder queries at any time throughout the year.

Special Business at the Annual General Meeting

Directors' Authority to Allot Relevant Securities

Approval is sought in Resolution 13, an ordinary resolution, to renew the Directors' existing general power to allot securities but will also, provide a further authority (subject to certain limits), to allot shares under a fully pre-emptive rights issue. The effect of Resolution 13 is to authorise the Directors to allot up to a maximum of 21,303,139 shares in total (representing approximately 2/3 of the existing issued capital of the Company, of which a maximum of 10,651,569 shares (approximately 1/3 of the existing issued share capital) may only be applied to fully pre-emptive rights issues. This authority is renewable annually and will expire at the conclusion of the next Annual General Meeting in 2021. The Board has no present intention to utilise this authority.

Disapplication of Pre-emption Rights

Resolution 14 is a special resolution that seeks to renew the Directors' existing authority until the conclusion of the next Annual General Meeting to make limited allotments of shares for cash of up to 10% of the issued share capital other than according to the statutory pre-emption rights which require all shares issued for cash to be offered first to all existing shareholders. This authority includes the ability to sell shares that have been held in treasury (if any), having previously been bought back by the Company. The Board has established guidelines for treasury shares and will only consider buying in shares for treasury at a discount to their prevailing NAV and selling them from treasury at or above the then prevailing NAV.

New shares issued in accordance with Resolution 14 and subject to the authority to be conferred by Resolution 13 will always be issued at a premium to the NAV per Ordinary share at the time of issue. The Board will issue new Ordinary shares or sell Ordinary shares from treasury for cash when it is appropriate to do so, in accordance with its current policy. It is therefore possible that the issued share capital of the Company may change between the date of this document and the Annual General Meeting and therefore the authority sought will be in respect of 10% of the issued share capital as at the date of the Annual General Meeting rather than the date of this document.

Purchase of the Company's Shares

Resolution 15 is a special resolution proposing to renew the Directors' authority to make market purchases of the Company's shares in accordance with the provisions contained in the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority. The minimum price to be paid per Ordinary share by the Company will not be less than 25p per share (being the nominal value) and the maximum price should not be more than the higher of (i) 5% above the average of the middle market quotations for the shares for the preceding five business days; and (ii) the higher of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out.

The Directors do not intend to use this authority to purchase the Company's Ordinary shares unless to do so would result in an increase in NAV per share and would be in the interests of shareholders generally. The authority sought will be in respect of 14.99% of the issued share capital as at the date of the Annual General Meeting rather than the date of this document.

The authority being sought in Resolution 15 will expire at the conclusion of the Annual General Meeting in 2021 unless it is renewed before that date. Any Ordinary shares purchased in this way will either be cancelled and the number of Ordinary shares will be reduced accordingly or under the authority granted in Resolution 14 above, may be held in treasury. During the year the Company has bought back 1.48m Ordinary shares for Treasury.

If Resolutions 13 to 15 are passed then an announcement will be made on the date of the Annual General Meeting which will detail the exact number of Ordinary shares to which each of these authorities relate.

These powers will give the Directors additional flexibility going forward and the Board considers that it will be in the interests of the Company that such powers be available. Such powers will only be implemented when, in the view of the Directors, to do so will be to the benefit of shareholders as a whole.

Directors' Report Continued

Notice of Meetings

Resolution 16 is a special resolution seeking to authorise the Directors to call general meetings of the Company (other than Annual General Meetings) on 14 days' notice. This approval will be effective until the Company's next Annual General Meeting in 2021. In order to utilise this shorter notice period, the Company is required to ensure that shareholders are able to vote electronically at the general meeting called on such short notice. The Directors confirm that, in the event that a general meeting is called, they will give as much notice as practicable and will only utilise the authority granted by Resolution 16 in limited and time sensitive circumstances.

Recommendation

Your Board considers Resolutions 13 to 16 to be in the best interests of the Company and its members as a whole and most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, your Board unanimously recommends that shareholders should vote in favour of Resolutions 13 to 16 to be proposed at the AGM, as they intend to do in respect of their own beneficial shareholdings amounting to 265,350 Ordinary shares.

By order of the Board

Aberdeen Asset Management PLC -Secretaries

Bow Bells House, 1 Bread Street

London EC4M 9HH

28 October 2020

Directors' Remuneration Report

The Board has prepared this report in accordance with the regulations governing the disclosure and approval of Directors' remuneration. This Directors' Remuneration Report comprises three parts:

1. Remuneration Policy which is subject to a binding shareholder vote every three years (or sooner if varied during this interval) – most recently voted on at the AGM on 1 December 2017 and which will next be voted upon at the AGM on 1 December 2020;
2. Implementation Report which provides information on how the Remuneration Policy has been applied during the year and which is subject to an advisory vote on the level of remuneration paid during the year; and
3. Annual Statement.

The law requires the Company's Auditor to audit certain of the disclosures provided. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the report on page 60.

Remuneration Policy

The Directors' Remuneration Policy takes into consideration the principles of UK Corporate Governance and there have been no changes to the policy during the period of this Report nor are there any proposals for the foreseeable future.

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

The Directors are non-executive and the Company's Articles of Association limit the annual aggregate fees payable to the Board of Directors to £225,000 per annum. This cap may be increased by shareholder resolution from time to time and was last increased at the Annual General Meeting held in December 2013.

	31 July 2020	31 July 2019
	£	£
Chairman	35,000	35,000
Chairman of Audit Committee	30,000	30,000
Director	27,000	27,000

Subject to this overall limit, the Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective.

Appointment

- The Company only intends to appoint non-executive Directors.
- All the Directors are non-executive appointed under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at the first AGM after their appointment, and at least every three years thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment (currently £27,000 per annum).
- No incentive or introductory fees will be paid to encourage a Directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- Directors are entitled to re-imbursment of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.
- The Company indemnifies its Directors for all costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance-related fee.
- No Director has a service contract.
- With the exception of Mr Gilbert (and his Alternate Mr Young) and Mr Yea, no Director has an interest in any contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed upon three months' notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or to any assets of the Company.

Directors' Remuneration Report continued

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors. Under the Articles, the Company indemnifies each of the Directors out of the assets of the Company against any liability incurred by them as a Director in defending proceedings or in connection with any application to the Court in which relief is granted and separate deeds of indemnity exist in this regard between the Company and each Director.

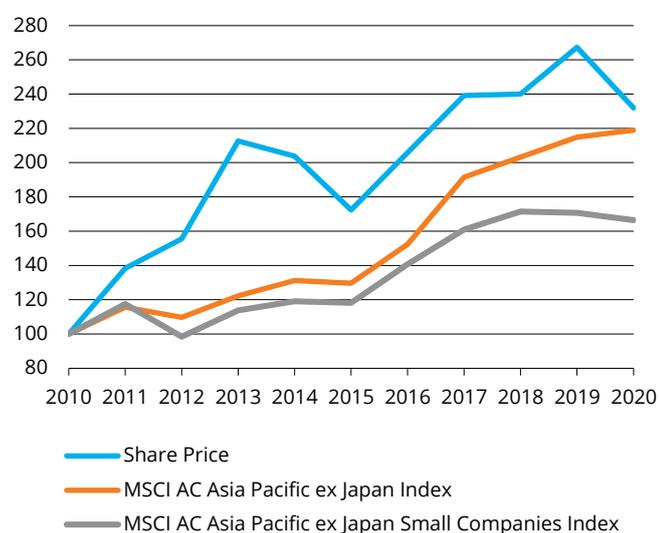
Implementation Report

Directors' Fees

During the year the Board carried out its annual review of the level of fees payable to Directors including a review of comparable peer group directors' fees. Following the review it was concluded that the fees should be maintained at the current levels of £35,000, £30,000 and £27,000 for the Chairman, Audit Committee Chairman and other Directors, respectively. The Directors' fees were increased to the present level with effect from 1 October 2017. There are no further fees to disclose as the Company has no employees, chief executive or executive directors.

Company Performance

The following chart illustrates the total shareholder return (including reinvested dividends) for a holding in the Company's shares as compared to the MSCI AC Asia Pacific ex Japan Index (in Sterling terms) for the ten year period to 31 July 2020 (rebased to 100 at 31 July 2010). Given the absence of any meaningful index with which to compare performance, this index is deemed to be the most appropriate one against which to measure the Company's performance.



Statement of Voting at General Meeting

At the Company's last Annual General Meeting, held on 4 December 2019, shareholders approved the Directors' Remuneration Report in respect of the year ended 31 July 2019 and the following proxy votes were received on the resolutions:

Resolution	For ^A	Against	Withheld
(2) Receive and Adopt Directors' Remuneration Report	16.3m (99.8%)	370 (0.0%)	29,464
(3) To approve the Directors' Remuneration Policy ^B	14.46m (99.8%)	34,192 (0.2%)	40,641

^A Including discretionary votes

^B Approved at the AGM held on 1 December 2017

Spend on Pay

As the Company has no employees, the Board does not consider it appropriate to present a table comparing remuneration paid to Directors with distributions to shareholders. Fees are pro-rated where a change takes place during a financial year.

The total fees paid to Directors are shown below.

Audited Information

Fees Payable

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

Director	2020 £	2019 £
N K Cayzer (Chairman and highest paid Director)	35,000	35,000
Viscount Dunluce	27,000	27,000
M J Gilbert ^A	-	-
P Yea ^C	30,000	28,000
K Shanmuganathan ^B	4,350	n/a
C Black	27,000	14,661
D Guthrie	27,000	14,661
H Fukuda ^D	18,000	27,000
Total	168,350	146,322

^A Mr Gilbert has waived his fees with effect from 1 April 2018

^B Mr Shanmuganathan was appointed to the Board on 3 June 2020

^C Mr Yea was appointed Audit Committee Chairman on 31 March 2019 following the retirement of Mr Maude

^D Ms Fukuda retired from the Board on 31 March 2020

Sums Paid to Third Parties

None of the fees disclosed above were payable to third parties in respect of making available the services Directors. Mr Gilbert has waived his non executive Director's fees with effect from 1 April 2018, which would have amounted to £27,000 for the year ended 31 July 2020. Mr Gilbert's services to the Company are non executive and he has no part in the day to day management of the Company. The amounts paid by the Company to the Directors were for services as non-executive Directors.

Directors' Interests in the Company

The Directors are not required to have a shareholding in the Company. The Directors' interests in contractual arrangements with the Company are as shown in note 18 to the financial statements. The Directors (including connected persons) at 31 July 2020, and 31 July 2019, had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the following table.

	31 July 2020 ^A	31 July 2019
	Ordinary shares	Ordinary shares
N K Cayzer	-	-
Viscount Dunluce	800	800
H Fukuda ^A	3,685	3,621
M J Gilbert	106,250	106,250
K Shanmuganathan ^B	1,054	n/a
P Yea	2,063	2,063
H Young (alternate)	149,535	149,535
C Black	958	958
D Guthrie	4,690	4,690

^A or date of retirement, if earlier

^B Mr Shanmuganathan was appointed to the Board on 3 June 2020

The above interests are unchanged at 28 October 2020, being the nearest practicable date prior to the signing of this Report.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year ended 31 July 2020:

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

Nigel Cayzer,
Chairman

28 October 2020

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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

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

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The Directors are responsible for keeping proper accounting records that are sufficient to show and explain the Company's transactions and which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

The financial statements are published on asia-focus.co.uk which is a website maintained by the Company's Manager. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors listed on pages 38 to 41, being the persons responsible, hereby confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company;
- that in the opinion of the Directors, the Annual Report and financial statements taken as a whole, is fair, balanced and understandable and it provides the information necessary to assess the Company's performance, business model and strategy. In reaching this conclusion the Board has assumed that the reader of the Annual Report and financial statements would have a reasonable level of general investment knowledge, and in particular, of investment trusts; and
- the Strategic Report and Directors' Report include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that the Company faces.

For Aberdeen Standard Asia Focus PLC

Nigel Cayzer,
Chairman

28 October 2020

Report of the Audit Committee

I am pleased to present the report of the Audit Committee for the year ended 31 July 2020 which has been prepared in compliance with applicable legislation.

Committee Composition

The Audit Committee comprises five independent Directors at the year end; Viscount Dunluce, Charlotte Black, Deborah Guthrie, Krishna Shanmuganathan and myself (Philip Yea), as Chairman. The Directors have satisfied themselves that at least one of the Committee's members has recent and relevant financial experience. I am a member of the Chartered Institute of Management Accountants and I confirm that the Audit Committee as a whole has competence relevant to the investment trust sector and that at least one member has competence in accounting. Following my retirement from the Board on 1 December 2020, Martin Gilbert, a Chartered Accountant, will join the Audit Committee and Debby Guthrie has accepted an invitation to become Audit Committee Chair.

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

Functions of the Committee

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

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

- to review and monitor the internal control systems and risk management systems (including review of non-financial risks) on which the Company is reliant;
- to consider annually whether there is a need for the Company to have its own internal audit function;
- to monitor the integrity of the half-yearly and annual financial statements of the Company by reviewing, and challenging where necessary, the actions and judgements of the Manager;
- to review, and report to the Board on, the significant financial reporting issues and judgements made in connection with the preparation of the Company's financial statements, interim reports, announcements and related formal statements;
- to review the content of the Annual Report and Financial Statements and advise the Board on whether, taken as a whole, it is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- to meet with the auditor to review their proposed audit programme of work and the findings of the auditor. The Committee shall also use this as an opportunity to assess the effectiveness of the audit process;
- to develop and implement policy on the engagement of the Auditor to supply non-audit services. Non-audit fees of £6,000 were paid to the independent auditor during the year ended 31 July 2020 (2019 - £7,000), relating to the interim review of the Half Yearly Report. All figures are quoted exclusive of applicable VAT. Since 2016 the extent of non audit services that can be provided by EY has become very limited. The Committee has approved the on-going supply by EY of services in connection with the electronic filing of annual corporation tax returns and the Audit Committee will review the provision of future non-audit fees in the light of the potential for such services to impair the Auditor's independence and on the basis that all non-audit services require the pre-approval of the Audit Committee. For the current year tax compliance and advisory services have been supplied to the Company by Deloitte;
- to review a statement from the Manager detailing the arrangements in place within the Manager whereby the Manager's staff may, in confidence, escalate concerns about possible improprieties in matters of financial reporting or other matters ("whistleblowing");
- to make recommendations in relation to the appointment of the auditor and to approve the remuneration and terms of engagement of the auditor;
- to monitor and review annually the auditor's independence, objectivity, effectiveness, resources and qualification; and
- to investigate, when an auditor resigns, the reasons giving rise to such resignation and consider whether any action is required.

Report of Audit Committee Continued

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 Aberdeen Standard Investments' internal audit, risk and compliance departments reported to the Committee at these meetings on matters such as internal control systems, risk and the conduct of the business in the context of its regulatory environment.

The Committee also considered the implications for the Company as a result of the Covid-19 pandemic, including the resilience of the reporting and control systems in place for both the Manager and other service providers.

Review of Internal Control Systems and Risk

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

Financial Statements and Significant Issues

During its review of the Company's financial statements for the year ended 31 July 2020, the Audit Committee considered the following significant issues, including, in particular, those communicated by the Auditor as key areas of audit emphasis during their planning and reporting of the year end audit.

Valuation and Existence of Investments

How the issue was addressed - The valuation of investments is undertaken in accordance with the accounting policies, disclosed in note 2(b) to the financial statements on page 71. All investments are considered liquid and quoted in active markets and have been categorised as Level 1 within the FRS 102 fair value hierarchy and can be verified against daily market prices. The portfolio holdings and their pricing are reviewed and verified by the Manager on a regular basis and management accounts, including a full portfolio listing, are prepared each month and circulated to the Board. The portfolio is also reviewed annually by the auditor and all prices are checked to independent sources by the auditor. The Company used the services of an independent Depositary (BNP Paribas Securities Services) during the year under review to hold the assets of the Company. The investment portfolio is reconciled regularly by the Manager to the depositary/custodian records and further corroboration is received from the audit which includes independent confirmation of the existence of all investments at the year end.

Recognition of Investment Income

How the issue was addressed - The recognition of investment income is undertaken in accordance with accounting policy note 2(d) to the financial statements on page 71. Special dividends are allocated to the capital or revenue accounts according to the nature of the payment and the intention of the underlying company. The Directors review monthly revenue forecasts and dividend comparisons and the Manager provides monthly internal control reports to the Board.

Correct Calculation of Management Fees

How the issue was addressed - The management fees are calculated by the Manager and reviewed periodically by the Board. Further corroboration is received from the work undertaken by the Auditor who reviews the calculations as part of its audit.

Review of Financial Statements

The Committee is responsible for the preparation of the Company's Annual Report. The process is extensive, requiring input from a number of different third party service providers. The Committee reports to the Board on whether, taken as a whole, the Annual Report and financial statements are fair, balanced and understandable. In so doing, the Committee has considered the following matters:

- the existence of a comprehensive control framework surrounding the production of the Annual Report and financial statements which includes a number of different checking processes;
 - the existence of extensive levels of reviews as part of the production process involving the depositary, the Manager, the Company Secretary and the auditor together as well as the Committee's own expertise;
 - the controls in place within the various third party service providers to ensure the completeness and accuracy of the financial records and the security of the Company's assets;
 - the externally audited internal control reports of the Manager, Depositary and related service providers.
-

The Committee has reviewed the Annual Report and the work undertaken by the third party service providers and is satisfied that, taken as a whole, the Annual Report and financial statements is fair balanced and understandable. In reaching this conclusion, the Committee has assumed that the reader of the Annual Report would have a reasonable level of knowledge of the investment trust industry in general and of investment trusts in particular. The Committee has reported its findings to the Board which in turn has made its own statement in this regard in the Directors' Responsibility Statement on page 54.

Review of Auditor

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

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

EY, and predecessor firms, have held office as auditor since the incorporation of the Company in 1995. In accordance with present professional guidelines the Senior Statutory Auditor is rotated after no more than five years and the year ended 31 July 2020 will be the third and final year for which the present Senior Statutory Auditor, Mr James Beszant, will serve. The Committee considers EY, the Company's auditor, to be independent of the Company.

Audit Tender

During the year the Audit Committee undertook a tender for the Company's external audit services. EY was not invited to participate in the tender as a result of the EU Audit Regulations which require EY to rotate as auditor by no later than the completion of the audit in respect of the year ending 31 July 2023. Having reviewed a list of potential audit firms drawn from across the range of UK based largest and mid sized audit firms, a short list of two firms was interviewed. The Audit Committee recommended to the Board the appointment of PricewaterhouseCoopers LLP ("PwC") and PwC has subsequently accepted an invitation to become the Company's independent auditor, subject to approval by shareholders at the AGM on 1 December 2020.

Philip Yea,
Audit Committee Chairman
 28 October 2020

Financial Statements

“It is your Company’s aim to maintain or increase the Ordinary dividend so that shareholders can rely on a consistent stream of income. In the current year, we have seen continued strength in both the ordinary income and the income that we receive as special dividends. In view of this, the Board is recommending a final dividend of 14.5p per share (2019 14.0p) representing an increase of 3.6% and a special dividend of 4.5p per share (2019 5.0p).”



Independent Auditor's Report to the Members of Aberdeen Standard Asia Focus PLC

Opinion

We have audited the financial statements of Aberdeen Standard Asia Focus PLC (the 'Company') for the year ended 31 July 2020, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows, and the related notes 1 to 22, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 July 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to principal risks, going concern and viability statement

We have nothing to report in respect of the following information in the annual report, in relation to which the ISAs (UK) require us to report to you whether we have anything material to add or draw attention to:

- the disclosures in the annual report set out on pages 14 to 16 that describe the principal risks and explain how they are being managed or mitigated;
 - the directors' confirmation set out on page 14 in the annual report that they have carried out a robust assessment of the emerging and principal risks facing the entity, including those that would threaten its business model, future performance, solvency or liquidity;
 - the directors' statement set out on page 46 in the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them, and their identification of any material uncertainties to the entity's ability to continue to do so over a period of at least twelve months from the date of approval of the financial statements;
 - whether the directors' statement in relation to going concern required under the Listing Rules in accordance with Listing Rule 9.8.6R(3) is materially inconsistent with our knowledge obtained in the audit; or
 - the directors' explanation set out on pages 17 and 18 in the annual report as to how they have assessed the prospects of the entity, 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 entity 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.
-

Overview of our audit approach

Key audit matters	<ul style="list-style-type: none"> · Risk of incomplete or inaccurate revenue recognition, including the allocation of special dividends to revenue or capital in the Statement of Comprehensive Income · Risk of incorrect valuation and/or defective title of the investment portfolio · Impact of COVID-19
Materiality	<ul style="list-style-type: none"> · Overall materiality of £3.6 million which represents 1% of shareholders' funds

Key audit matters

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

Risk	Our response to risk	Key observations communicated to the Audit Committee
<p>Incomplete or inaccurate revenue recognition, including the allocation of special dividends to revenue or capital in the Statement of Comprehensive Income (as described on page 56 in the Audit Committee's Report and as per the accounting policy set out on page 71).</p> <p>The total revenue for the year to 31 July 2020 was £13.6 million (2019: £14.6 million), consisting primarily of dividend income from listed equity investments.</p> <p>The total amount of special dividends received by the Company during the year was £2.1 million (2019: £1.6 million). All of these special dividends were allocated to revenue.</p> <p>There is a risk of incomplete or inaccurate recognition of revenue through the failure to recognise proper income entitlements or to apply an appropriate accounting treatment.</p> <p>In addition to the above, the directors are required to exercise judgment in determining whether income</p>	<p>We have performed the following procedures:</p> <p>We obtained an understanding of the Manager's and the Administrator's processes and controls surrounding revenue recognition, including the recognition and allocation of special dividends by performing walkthrough procedures.</p> <p>For a sample of dividends, we recalculated the dividend income by multiplying the investment holdings at the ex-dividend date, traced from the accounting records, by the dividend per share as agreed to an independent data vendor. We agreed the receipt of these dividend payments to bank statements and the exchange rates used to an external source.</p> <p>To test the completeness of the recorded income we agreed a sample of dividends received on investments held from an independent data vendor to the income recorded by the Company.</p> <p>For all dividends accrued at the year end, we agreed the dividend rate and the entitlement date to a third party source. We recalculated the dividend amount receivable and agreed the dividend to post year-end bank statements.</p> <p>We identified which of the dividends received during the year above our testing threshold were special dividends with reference to an external source. There were six special dividends above our testing threshold, all of which were allocated to revenue.</p>	<p>The results of our procedures identified no material misstatement in relation to incomplete or inaccurate revenue recognition, including incorrect allocation of special dividends to revenue or capital in the Statement of Comprehensive Income. Based on the work performed we had no matters to report to the Audit Committee.</p>

Independent Auditor's Report to the Members of Aberdeen Standard Asia Focus PLC Continued

Risk	Our response to risk	Key observations communicated to the Audit Committee
<p>receivable in the form of special dividends should be allocated to 'revenue' or 'capital' in the Statement of Comprehensive Income.</p>	<p>We assessed the appropriateness of management's classification of these six special dividends as revenue with reference to publicly available information.</p>	
<p>Incorrect valuation and/or defective title of the investment portfolio (as described on page 56 in the Report of the Audit Committee and as per the accounting policy set out on page 71).</p> <p>The valuation of the portfolio at 31 July 2020 was £394.5 million (2019: £484.7 million). The portfolio at 31 July 2020 consisted of listed investments.</p> <p>The valuation of the assets held in the investment portfolio is the key driver of the Company's net asset value and total return. Incorrect investment pricing or a failure to maintain proper legal title of the investments held by the Company could have a significant impact on the portfolio valuation and the return generated for shareholders.</p> <p>The fair value of listed investments is determined by reference to quoted market bid prices at close of business on the reporting date.</p>	<p>We performed the following procedures:</p> <p>We obtained an understanding of the Manager's and the Administrator's processes surrounding investment pricing of listed securities by performing walkthrough procedures.</p> <p>For all investments in the portfolio, we compared the market prices and exchange rates applied to an independent pricing vendor and recalculated the investment valuations as at the year-end.</p> <p>We obtained and reviewed the Manager's liquidity assessment, in light of COVID-19, and performed an independent evaluation of the portfolio's liquidity using trading volumes obtained from an external data vendor. We also reviewed the stale pricing reports produced by the Administrator to identify prices that have not changed and verified whether the listed price is a valid fair value.</p> <p>We agreed the Company's investment holdings at 31 July 2020 to an independent confirmation received from the Company's Custodian and Depository.</p>	<p>The results of our procedures identified no material misstatement in relation to incorrect valuation and/or defective title of the investment portfolio. Based on the work performed we had no matters to report to the Audit Committee.</p>
<p>Impact of COVID-19 (as described on page 15 in the Strategic Report, page 56 in the Audit Committee's Report and as per the accounting policy set out on page 71).</p> <p>The COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in global equity and debt markets. As of the date of our audit report, the longer-term impact remains uncertain. This uncertainty had an impact on our risk assessment and, as a result, on our audit of the financial statements.</p> <p>The COVID-19 pandemic had the most</p>	<p>We performed the following procedures:</p> <p>Going Concern</p> <p>We inspected the Board's assessment of going concern, which includes consideration of the impact of COVID-19 on revenue and cash forecasting. We have agreed the inputs and assumptions used in the assessment to our audit working papers and historically observed results of the Company.</p> <p>We inspected the Board's assessment of the risk of breaching the debt covenants as a result of a reduction in the value of the Company's portfolio. We recalculated the Company's compliance with debt covenants in the scenarios assessed by the Board.</p> <p>We confirmed through discussion with the Company Secretary and the Directors that key service providers had enacted</p>	<p>As a result of our procedures, we have determined that the Director's conclusion that there is no material uncertainty relating to going concern is appropriate. We have reviewed the disclosures relating to going concern and determined that they are appropriate.</p>

Risk	Our response to risk	Key observations communicated to the Audit Committee
<p>significant impact on our audit of the financial statements in the following areas:</p> <p>Going concern and the Viability Statement</p> <p>There is increased uncertainty in certain of the assumptions underlying management's assessment of future prospects, which includes the ability of the Company to meet debt covenants and fund ongoing costs.</p> <p>Financial statement disclosures</p> <p>There is a risk that the impact of COVID-19 is not adequately disclosed in the financial statements.</p> <p>The key audit matters of 'Incomplete or inaccurate revenue recognition, including allocation of special dividends between revenue or capital in the Statement of Comprehensive Income ' and 'Inaccurate valuation and/or defective title of the investment portfolio' include additional audit procedures performed in response to the COVID-19 pandemic.</p>	<p>Business Continuity Plans with no significant deterioration of service being experienced.</p> <p>Financial statements disclosures</p> <p>We reviewed the adequacy of the going concern disclosures by evaluating whether they were consistent with the Board's assessment and the viability statement. We reviewed the disclosures for compliance with the reporting requirements.</p>	
<p>We re-assessed the risks determined at the planning stage of the audit and, due to the uncertainty in global markets caused by the COVID-19 pandemic, we revised our risk assessment during the audit to include the Key Audit Matter 'Impact of COVID-19'. Our other Key Audit Matters are unchanged from our assessment at the planning stage for the year ended 31 July 2020.</p>		
<p>An overview of the scope of our audit</p>		
<p>Tailoring the scope</p>		
<p>Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the Company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the Company and effectiveness of controls, including changes in the business environment, when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.</p>		
<p>Our application of materiality</p>		
<p>We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.</p>		
<p>Our application of materiality</p>		
<p>We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.</p>		

Independent Auditor's Report to the Members of Aberdeen Standard Asia Focus PLC Continued

Materiality

The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the Company to be £3.6 million (2019: £4.4 million) which is 1% of shareholders' funds. We believe that shareholders' funds provides us with materiality aligned to the key measurement of the Company's performance.

Performance materiality

The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the Company's overall control environment, our judgment was that performance materiality was 75% (2019: 75%) of our planning materiality, namely £2.7 million (2019: £3.3 million). We have set performance materiality at this percentage due to our past experience of the audit that indicates a lower risk of misstatements, both corrected and uncorrected.

Given the importance of the distinction between revenue and capital for the Company we also applied a separate testing threshold for the revenue column of the Statement of Comprehensive Income of £0.4 million (2019: £0.4 million), being 5% of the revenue net return before taxation.

Reporting threshold

An amount below which identified misstatements are considered as being clearly trivial.

We agreed with the Audit Committee that we would report to them all uncorrected audit differences in excess of £0.4 million (2019: £0.4 million), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express 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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

In this context, we also have nothing to report in regard to our responsibility to specifically address the following items in the other information and to report as uncorrected material misstatements of the other information where we conclude that those items meet the following conditions:

- Fair, balanced and understandable set out on page 54 – the statement given by the directors that they 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 performance, business model and strategy, is materially inconsistent with our knowledge obtained in the audit; or
 - Audit committee reporting set out on page 56 – the section describing the work of the audit committee does not appropriately address matters communicated by us to the audit committee; or
-

- Directors' statement of compliance with the UK Corporate Governance Code set out on page 43 – the parts of the directors' statement required under the Listing Rules relating to the Company's compliance with the UK Corporate Governance Code containing provisions specified for review by the auditor in accordance with Listing Rule 9.8.10R(2) do not properly disclose a departure from a relevant provision of the UK Corporate Governance Code.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' reports have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 54, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses; and to respond appropriately to fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Independent Auditor's Report to the Members of Aberdeen Standard Asia Focus PLC Continued

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are FRS 102, the Companies Act 2006, the Listing Rules, the UK Corporate Governance Code and Section 1158 of the Corporation Tax Act 2010.
- We understood how the Company is complying with those frameworks through discussions with the Audit Committee and Company Secretary and review of the Company's documented policies and procedures.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by considering the key risks impacting the financial statements. We identified a fraud risk with respect to incomplete or inaccurate revenue recognition through incorrect classification of special dividends as revenue or capital in the Statement of Comprehensive Income. Further discussion of our approach is set out in the section on key audit matters above.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved review of the reporting to the directors with respect to the application of the documented policies and procedures and review of the financial statements to ensure compliance with the reporting requirements of the Company.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Other matters we are required to address

- We were appointed as auditors by the Company as part of the initial listing process and signed an engagement letter in October 1995 to audit the financial statements for the period ending 31 July 1996 and subsequent financial periods. Our appointment was subsequently ratified at the first annual general meeting of the Company held on 27 November 1996.
- The period of total uninterrupted engagement including previous renewals and reappointments is 25 years, covering the years ending 31 July 1996 to 31 July 2020.
- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.
- The audit opinion is consistent with the additional report to the audit committee.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

James Beszant (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
 28 October 2020

Notes:

1. *The maintenance and integrity of the Aberdeen Standard Asia Focus PLC web site is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the web site.*

2. *Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.*

Statement of Comprehensive Income

	Notes	Year ended 31 July 2020			Year ended 31 July 2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments	10	-	(67,561)	(67,561)	-	21,109	21,109
Income	3	13,595	-	13,595	14,632	-	14,632
Exchange losses		-	(76)	(76)	-	(1,371)	(1,371)
Investment management fees	4	(3,121)	-	(3,121)	(3,710)	-	(3,710)
Administrative expenses	5	(1,040)	-	(1,040)	(1,092)	-	(1,092)
Net return before finance costs and taxation		9,434	(67,637)	(58,203)	9,830	19,738	29,568
Finance costs	6	(1,539)	-	(1,539)	(1,600)	-	(1,600)
Net (loss)/ return before tax		7,895	(67,637)	(59,742)	8,230	19,738	27,968
Tax (expense)/income	7	(802)	158	(644)	(763)	(231)	(994)
Net (loss)/return after taxation		7,093	(67,479)	(60,386)	7,467	19,507	26,974
Return per share (pence):							
Basic	9	21.45	(204.02)	(182.57)	21.64	56.54	78.18
Diluted	9	n/a	n/a	n/a	21.35	52.69	74.04

For the year ended 31 July 2020 the conversion option for potential Ordinary shares within the Convertible Unsecured Loan Stock was dilutive to the revenue return per Ordinary share but non-dilutive to the capital return per Ordinary share.

The total column of this statement represents the profit and loss account of the Company. There is no other comprehensive income and therefore the net return after taxation is also the total comprehensive income for the year.

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

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

Statement of Financial Position

	Notes	As at 31 July 2020 £'000	As at 31 July 2019 £'000
Non-current assets			
Investments at fair value through profit or loss	10	394,467	484,709
Current assets			
Debtors and prepayments	11	1,541	3,617
Cash and short term deposits		10,919	10,239
		12,460	13,856
Creditors: amounts falling due within one year			
Bank loans		(11,200)	(20,407)
Other creditors		(1,274)	(1,649)
	12	(12,474)	(22,056)
Net current liabilities		(14)	(8,200)
Total assets less current liabilities		394,453	476,509
Non-current liabilities			
2.25% Convertible Unsecured Loan Stock 2025	13	(35,497)	(35,499)
Net assets		358,956	441,010
Capital and reserves			
Called-up share capital	14	10,434	10,430
Capital redemption reserve		2,062	2,062
Share premium account		60,377	60,130
Equity component of 2.25% Convertible Unsecured Loan Stock 2025	13	1,057	1,057
Capital reserve	15	268,750	351,781
Revenue reserve		16,276	15,550
Equity shareholders' funds		358,956	441,010
Net asset value per share (pence):			
Basic	16	1,106.45	1,300.56
Diluted	16	n/a	n/a

The financial statements were approved by the Board of Directors and authorised for issue on 28 October 2020 and were signed on behalf of the Board by:

Nigel Cayzer
Chairman

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

Statement of Changes in Equity

For the year ended 31 July 2020

	Note	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Equity Component CULS 2025 £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 August 2019		10,430	2,062	60,130	1,057	351,781	15,550	441,010
Conversion of 2.25% CULS 2025	13	4	-	247	-	-	-	251
Purchase of own shares to treasury	14	-	-	-	-	(15,552)	-	(15,552)
Return after taxation		-	-	-	-	(67,479)	7,093	(60,386)
Dividends paid	8	-	-	-	-	-	(6,367)	(6,367)
Balance at 31 July 2020		10,434	2,062	60,377	1,057	268,750	16,276	358,956

For the year ended 31 July 2019

	Note	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Equity Component CULS 2025 £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 1 August 2018		10,429	2,062	60,076	1,054	346,123	13,962	433,706
Conversion of 2.25% CULS 2025	13	1	-	54	-	-	-	55
Expense update for issue of 2025 CULS		-	-	-	3	(60)	-	(57)
Purchase of own shares to treasury	14	-	-	-	-	(13,789)	-	(13,789)
Return after taxation		-	-	-	-	19,507	7,467	26,974
Dividends paid	8	-	-	-	-	-	(5,879)	(5,879)
Balance at 31 July 2019		10,430	2,062	60,130	1,057	351,781	15,550	441,010

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

Statement of Cash Flows

	Notes	Year ended 31 July 2020 £'000	Year ended 31 July 2019 £'000
Cash flows from operating activities			
(Loss)/return before finance costs and tax		(58,203)	29,568
Adjustments for:			
Dividend income	3	(13,572)	(14,585)
Interest income	3	(22)	(47)
Dividends received		13,677	14,354
Interest received		22	47
Interest paid		(1,276)	(1,386)
Losses/(gains) on investments	10	67,561	(21,109)
Foreign exchange movements		76	1,371
(Increase)/decrease in prepayments		(3)	2
(Increase)/decrease in other debtors		(18)	48
Increase/(decrease) in other creditors		80	(7)
Stock dividends included in investment income		(261)	(308)
Overseas withholding tax suffered	7	(974)	(843)
Net cash inflow from operating activities		7,087	7,105
Cash flows from investing activities			
Purchase of investments		(67,809)	(122,485)
Sales of investments		92,454	135,186
Capital gains tax rebate/(charge) on sales		102	(711)
Net cash inflow from investing activities		24,747	11,990
Cash flows from financing activities			
Purchase of own shares to treasury		(15,529)	(14,253)
Drawdown of loan	12	18,200	1,966
Repayment of loan	12	(26,852)	-
Loan arrangement fees		(30)	(6)
2.25% Convertible Unsecured Loan Stock 2025 issue expenses rebate/(paid)		65	(22)
Equity dividends paid	8	(6,367)	(5,879)
Net cash outflow from financing activities		(30,513)	(18,194)
Increase in cash and cash equivalents		1,321	901
Analysis of changes in cash and cash equivalents			
Opening balance		10,239	9,398
Increase in cash and cash equivalents		1,321	901
Foreign exchange movements		(641)	(60)
Closing balance		10,919	10,239

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

Notes to the Financial Statements

For the year ended 31 July 2020

1. **Principal activity.** The Company is a closed-end investment company, registered in England & Wales No 03106339, with its Ordinary shares being listed on the London Stock Exchange.

2. Accounting policies

- (a) **Basis of preparation and going concern.** The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in October 2019. The financial statements are prepared in Sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted by HMRC.

The Company's assets consist substantially of equity shares in companies listed on recognised stock exchanges and in most circumstances, including in the current market environment, are realisable within a short timescale. The Board has set limits for borrowing and regularly reviews cash flow projections and compliance with banking covenants, including the headroom available. The Company has a revolving loan facility which expires in June 2022. Having taken these factors into account as well as the impact of Covid-19 and having assessed the principal risks and other matters set out in the Viability Statement on pages 17 and 18, the Directors believe that, after making enquiries, the Company has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of this Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report (unaudited) on page 46.

Significant accounting judgements, estimates and assumptions. The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. Special dividends are assessed and credited to capital or revenue according to their circumstances and are considered to require significant judgement. The Directors do not consider there to be any significant estimates within the financial statements.

- (b) **Valuation of investments.** The Company has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement (as adopted for use in the EU) and investments have been designated upon initial recognition at fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured at fair value. Subsequent to initial recognition, investments are measured at fair value. For listed investments, this is deemed to be bid market prices. Gains and losses arising from changes in fair value and disposals are included as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserve.
- (c) **Borrowings.** Bank loans are initially recognised at cost, being the fair value of the consideration received, net of any issue expenses. Subsequently, they are measured at amortised cost using the effective interest method. Finance charges are accounted for on an accruals basis using the effective interest rate method and are charged 100% to revenue.
- (d) **Income.** Dividends, including taxes deducted at source, are included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are reviewed on a case-by-case basis and may be credited to capital, if circumstances dictate. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time apportioned basis so as to reflect the effective yield on shares. Other returns on non-equity shares are recognised when the right to return is established. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves. Interest receivable on bank balances is dealt with on an accruals basis.

Notes to the Financial Statements continued

- (e) **Expenses.** All expenses are accounted for on an accruals basis. Expenses, including management fees and finance costs, are charged 100% through the revenue column of the Statement of Comprehensive Income with the exception of transaction costs incurred on the purchase and disposal of investments which are charged to the capital column of the Statement of Comprehensive Income and are separately identified and disclosed in note 10 within gains on investments.
- (f) **Taxation.** The tax expense represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

Due to the Company's status as an investment trust company and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year, based on the marginal basis.

- (g) **Foreign currency.** Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Statement of Financial Position date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on dividends receivable are recognised in the Statement of Comprehensive Income and are reflected in the revenue reserve. Gains and losses on the realisation of investments in foreign currencies and unrealised gains and losses on investments in foreign currencies are recognised in the Statement of Comprehensive Income and are then transferred to the capital reserve.
- (h) **Convertible Unsecured Loan Stock.** Convertible Unsecured Loan Stock ("CULS") issued by the Company is regarded as a compound instrument, comprising of a liability component and an equity component. At the date of issue, the fair value of the liability component of the 2.25% CULS 2025 was estimated by assuming that an equivalent non-convertible obligation of the Company would have an effective interest rate of 3.063% (3.5% CULS 2019 – 3.113%). The fair value of the equity component, representing the option to convert liability into equity, is derived from the difference between the issue proceeds of the CULS and the fair value assigned to the liability. The liability component is subsequently measured at amortised cost using the effective interest rate and the equity component remains unchanged.

Direct expenses associated with the CULS issue are allocated to the liability and equity components in proportion to the split of the proceeds of the issue. Expenses allocated to the liability component are amortised over the life of the instrument using the effective interest rate.

- (i) **Cash and cash equivalents.** Cash comprises cash in hand and demand deposits. Cash equivalents includes bank overdrafts repayable on demand and short term, highly liquid investments, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.
-

(j) Nature and purpose of reserves

Capital redemption reserve. The capital redemption reserve arose when Ordinary shares were redeemed and cancelled, at which point an amount equal to the par value of the Ordinary share capital was transferred from the share capital account to the capital redemption reserve. This is not a distributable reserve.

Share premium account. The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 25p. This is not a distributable reserve.

Capital reserve. This reserve reflects any gains or losses on investments realised in the period along with any movement in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences arising on monetary assets and liabilities except for dividend income receivable. Additionally, the cost of share buybacks to be held in treasury is also deducted from this reserve.

Revenue reserve. This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.

(k) Treasury shares. When the Company purchases the Company's equity share capital as treasury shares, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. When these shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from the capital reserve.

(l) Dividends payable. Final dividends are recognised in the financial statements in the period in which Shareholders approve them.

(m) Segmental reporting. The Directors are of the opinion that the Company is engaged in a single segment of business activity, being investment business. Consequently, no business segmental analysis is provided however an analysis of the geographic exposure of the Company's investments is provided on page 31.

3. Income

	2020 £'000	2019 £'000
Income from investments		
Overseas dividends	12,996	13,659
UK dividend income	300	300
REIT income	–	65
Stock dividends	261	308
Fixed interest income	15	253
	13,572	14,585
Other income		
Deposit interest	22	44
Other income	1	3
	23	47
Total income	13,595	14,632

Notes to the Financial Statements continued

4. Investment management fees

	2020 £'000	2019 £'000
Investment management fees	3,121	3,710

The Company has an agreement with ASFML for the provision of management services, under which investment management services have been delegated to ASI Asia.

From 1 August 2019 until 31 July 2020 the management fee was payable monthly in arrears at the rate of 0.08% of the Company's market capitalisation (as defined below) per calendar month, exclusive of VAT where applicable. Market capitalisation is defined as the Company's closing Ordinary share price quoted on the London Stock Exchange multiplied by the number of Ordinary shares in issue (excluding those held in Treasury), as determined on the last business day of the calendar month to which the remuneration relates. The balance due to the Manager at the year end was £741,000 (2019 – £613,000) which represents three months' fees (2019 – two months).

During the comparative period, from 1 August 2018 until 31 October 2018 the management fee was payable monthly in arrears and was based on an annual amount of 1.0%, calculated on the average net asset value of the Company over a 24 month period, valued monthly. The management fee was calculated by reference to the value of the Company's net assets (gross assets less liabilities excluding the amount of any loan facilities or overdraft facilities drawn down). The new management fee basis has been effective from 1 November 2018.

The management agreement may be terminated by either the Company or the Manager on the expiry of twelve months' written notice. On termination, the Manager would be entitled to receive fees which would otherwise have been due to that date.

5. Administrative expenses

	2020 £'000	2019 £'000
Administration fees ^A	97	95
Directors' fees ^B	168	166
Promotional activities ^C	219	219
Auditor's remuneration:		
– fees payable to the auditor for the audit of the annual accounts	35	28
– fees payable to the auditor and its associates for other services		
– interim review	6	7
Custodian charges	258	251
Registrar fees	40	47
Other expenses	217	279
	1,040	1,092

^A The Company has an agreement with ASFML for the provision of administration services. The administration fee is payable quarterly in advance and is adjusted annually to reflect the movement in the Retail Prices Index. The balance due to ASFML at the year end was £24,000 (2019 – £24,000). The agreement is terminable on six months' notice.

^B No pension contributions were made in respect of any of the Directors.

^C Under the management agreement, the Company has also appointed ASFML to provide promotional activities to the Company by way of its participation in the Aberdeen Standard Investment Trust Share Plan and ISA. ASFML has delegated this role to the Standard Life Aberdeen Group. The total fee paid and payable under the agreement in relation to promotional activities was £219,000 (2019 – £219,000). There was a £73,000 (2019 – £82,000) balance due to the Standard Life Aberdeen Group at the year end.

6. Finance costs

	2020 £'000	2019 £'000
Loans repayable in less than one year	460	516
Interest on 2.25% CULS 2025	831	839
Notional interest on 2.25% CULS 2025	154	154
Amortisation of 2.25% CULS 2025 issue expenses	94	91
	1,539	1,600

7. Tax expense

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a) Analysis of charge for the year						
Indian capital gains tax charge on sales	-	302	302	-	711	711
Indian capital gains tax charge rebate sales	-	(403)	(403)	-	-	-
Overseas taxation	802	-	802	763	-	763
Total current tax charge for the year	802	(101)	701	763	711	1,474
Deferred tax charge on Indian capital gains	-	(57)	(57)	-	(480)	(480)
Total tax rebate/(charge) for the year	802	(158)	644	763	231	994

On 1 April 2018, the Indian Government withdrew an exemption from capital gains tax on investments held for twelve months or longer. Accordingly, the Company has recognised a deferred tax liability of £nil (2019 – £57,000) on capital gains which may arise if Indian investments are sold.

At 31 July 2020 the Company had surplus management expenses and loan relationship deficits with a tax value of £10,954,071 (2019 – £8,836,000) in respect of which a deferred tax asset has not been recognised. This is due to the Company having sufficient excess management expenses available to cover the potential liability and the Company is not expected to generate taxable income in the future in excess of deductible expenses.

Notes to the Financial Statements continued

(b) **Factors affecting the tax charge for the year.** The tax assessed for the year is lower (2019 – same) than the current standard rate of corporation tax in the UK for a large company of 19% (2019 – 19%). The differences are explained below:

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Return before taxation	7,895	(67,637)	(59,742)	8,230	19,738	27,968
Return multiplied by the standard tax rate of corporation tax of 19%	1,500	(12,851)	(11,351)	1,563	3,750	5,313
<i>Effects of:</i>						
Gains on investments not taxable	-	12,837	12,837	-	(4,011)	(4,011)
Exchange losses	-	14	14	-	261	261
Overseas tax	802	-	802	763	-	763
Indian capital gains tax charge on sales	-	(101)	(101)	-	711	711
Movement in deferred tax liability on Indian capital gains	-	(57)	(57)	-	(480)	(480)
UK dividend income	(57)	-	(57)	(57)	-	(57)
Non-taxable dividend income	(2,519)	-	(2,519)	(2,654)	-	(2,654)
Expenses not deductible for tax purposes	(2)	-	(2)	7	-	7
Tax effect of expensed double taxation relief	(1)	-	(1)	-	-	-
Movement in unutilised management expenses	793	-	793	893	-	893
Movement in unutilised loan relationship deficits	286	-	286	248	-	248
Total tax charge for the year	802	(158)	644	763	231	994

8. Dividends

	2020 £'000	2019 £'000
Final dividend for 2019 – 14.0p (2018 – 13.0p)	4,691	4,496
Special dividend for 2019 – 5.0p (2018 – 4.0p)	1,676	1,383
	6,367	5,879

Proposed final and special dividends are subject to approval by shareholders at the Annual General Meeting and are not included as a liability in the financial statements.

We set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158 – 1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the current year is £7,093,000 (2019 – £7,467,000).

	2020 £'000	2019 £'000
Proposed final dividend for 2020 – 14.5p (2019 – 14.0p)	4,633	4,693
Proposed special dividend for 2020 – 4.5p (2019 – 5.0p)	1,438	1,676
	6,071	6,370

The amount reflected above for the cost of the proposed final and special dividend for 2020 is based on 31,954,709 Ordinary shares, being the number of Ordinary shares in issue excluding shares held in treasury at the date of this Report.

9. Return per Ordinary share

	2020			2019		
	Revenue	Capital	Total	Revenue	Capital	Total
Basic						
Return after taxation (£'000)	7,093	(67,479)	(60,386)	7,467	19,507	26,974
Weighted average number of shares in issue ^A			33,075,236			34,498,372
Return per Ordinary share (p)	21.45	(204.02)	(182.57)	21.64	56.54	78.18
	2020			2019		
Diluted	Revenue	Capital	Total	Revenue	Capital	Total
Return after taxation (£'000)	7,623	(67,479)	(59,856)	7,905	19,507	27,412
Weighted average number of shares in issue ^{AB}			35,586,690			37,022,314
Return per Ordinary share (p)	n/a	n/a	n/a	21.35	52.69	74.04

^A Calculated excluding shares held in treasury.

^B The calculation of the diluted total, revenue and capital returns per Ordinary share is carried out in accordance with IAS 33, "Earnings per Share". For the purpose of calculating total, revenue and capital returns per Ordinary share, the number of Ordinary shares used is the weighted average number used in the basic calculation plus the number of Ordinary shares deemed to be issued for no consideration on exercise of all 2.25% Convertible Unsecured Loan Stock 2025 ("CULS"). The calculations indicate that the exercise of CULS would result in an increase in the weighted average number of Ordinary shares of 2,511,454 (2019 - 2,523,942) to 35,586,690 (2019 - 37,022,314) Ordinary shares.

For the year ended 31 July 2020 the assumed conversion for potential Ordinary shares was dilutive to the revenue return per Ordinary share but non-dilutive to the capital return per Ordinary share. Where dilution occurs, the net returns are adjusted for interest charges and issue expenses relating to the CULS (2020 - £530,000; 2019 - £438,000). Total earnings for the period are tested for dilution. Once dilution has been determined individual revenue and capital earnings are adjusted.

10. Investments at fair value through profit or loss

	2020 £'000	2019 £'000
Opening book cost	314,799	265,689
Opening investment holding gains	169,910	210,408
Opening fair value	484,709	476,097
Analysis of transactions made during the year		
Purchases at cost	67,688	122,930
Sales proceeds received	(90,378)	(135,540)
Effective yield adjustment	9	113
(Losses)/gains on investments	(67,561)	21,109
Closing fair value	394,467	484,709
Closing book cost	314,306	314,799
Closing investment gains	80,161	169,910
Closing fair value	394,467	484,709

Notes to the Financial Statements continued

	2020 £'000	2019 £'000
Investments listed on an overseas investment exchange	384,458	472,672
Investments listed on the UK investment exchange	10,009	12,037
	394,467	484,709

The Company received £90,377,000 (2019 – £135,539,000) from investments sold in the period. The book cost of these investments when they were purchased was £68,190,000 (2019 – £73,933,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

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

	2020 £'000	2019 £'000
Purchases	172	259
Sales	142	332
	314	591

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

11. Debtors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts due from brokers	362	2,438
Other debtors	271	184
Prepayments and accrued income	908	995
	1,541	3,617

None of the above amounts is past their due date or impaired (2019 – same).

12. Creditors

	2020 £'000	2019 £'000
Amounts falling due within one year		
Bank loans	11,200	20,417
Loan arrangement fees	–	(10)
Amounts due to brokers	–	371
Amount due for the purchase of own shares to treasury	97	86
Deferred tax liability on Indian capital gains	–	57
Other creditors	1,177	1,135
	12,474	22,056

The Company's US\$12,500,000 multicurrency revolving loan facility with The Royal Bank of Scotland International Limited ("RBSI") matured on 5 June 2020 and was replaced with a new two year £20,000,000 multicurrency revolving loan facility with RBSI. At 31 July 2020 £11,200,000 had been drawn down to 6 August 2020 under this facility at an all-in interest rate of 0.976% (31 July 2019 – US\$12,500,000 equivalent to £10,209,000 drawn down at an all-in rate of 3.1% which matured on 23 August 2019).

The Company's US\$12,500,000 term loan facility with RBSI matured on 5 June 2020 and has been repaid. At 31 July 2019 US\$12,500,000 equivalent to £10,198,000 was drawn down at a fixed interest rate of 2.506%.

The terms of these loan facilities contained covenants that the minimum net assets of the Company are £225,000,000, the percentage of borrowings against net assets is less than 20%, and the portfolio contains a minimum of forty five eligible investments (investments made in accordance with the Company's investment policy). The Company was in compliance with its covenants at all relevant reporting periods.

All financial liabilities are measured at amortised cost.

13. Non-current liabilities

	2020			2019		
	Number of units £'000	Liability component £'000	Equity component £'000	Number of units £'000	Liability component £'000	Equity component £'000
2.25% Convertible Unsecured Loan Stock 2025						
Balance at beginning of year	36,945	35,499	1,057	37,000	35,209	1,054
Conversion of 2.25% CULS 2025	(251)	(251)	-	(55)	(55)	-
Issue expenses	-	-	-	-	100	3
Notional interest on CULS transferred to revenue reserve	-	154	-	-	153	-
Amortisation and issue expenses	-	95	-	-	92	-
Balance at end of year	36,694	35,497	1,057	36,945	35,499	1,057

The 2.25% Convertible Unsecured Loan Stock 2025 ("2025 CULS") can be converted at the election of holders into Ordinary shares during the months of May and November each year throughout their life, commencing 30 November 2018 to 31 May 2025 at a rate of 1 Ordinary share for every 1465.0p nominal of CULS. Interest is payable on the 2025 CULS on 31 May and 30 November each year, commencing on 30 November 2018. 100% of the interest will be charged to revenue in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

The 2025 CULS has been constituted as an unsecured subordinated obligation of the Company by the Trust Deed between the Company and the Trustee, the Law Debenture Trust Corporation p.l.c., dated 23 May 2018. The Trust Deed details the 2025 CULS holders' rights and the Company's obligations to the CULS holders and the Trustee oversees the operation of the Trust Deed. In the event of a winding-up of the Company the rights and claims of the Trustee and 2025 CULS holders would be subordinate to the claims of all creditors in respect of the Company's secured and unsecured borrowings, under the terms of the Trust Deed.

Notes to the Financial Statements continued

In 2020 the Company received elections from 2025 CULS holders to convert 251,001 nominal amount of CULS into 17,116 Ordinary shares.

The fair value of the 2025 CULS at 31 July 2020 was £34,988,000 (2019 – £37,684,000).

14. Called up share capital

	2020 £'000	2019 £'000
Allotted, called-up and fully paid		
Ordinary shares of 25p	8,111	8,477
Treasury shares	2,323	1,953
	10,434	10,430

	Ordinary shares Number	Treasury shares Number	Total shares Number
At 31 July 2019	33,909,349	7,809,662	41,719,011
Conversion of CULS	17,116	–	17,116
Buyback of own shares	(1,484,256)	1,484,256	–
At 31 July 2020	32,442,209	9,293,918	41,736,127

During the year 1,484,256 Ordinary shares of 25p were purchased by the Company (2019 – 1,302,650 Ordinary shares purchased) at a total cost of £15,552,000 (2019 – total cost of £13,789,000), all of which were held in treasury (2019 – same). At the year end 9,293,918 (2019 – 7,809,662) shares were held in treasury, which represents 22.27% (2019 – 18.72%) of the Company's total issued share capital at 31 July 2020. During the year there were a further 17,116 Ordinary shares issued as a result of CULS conversions (2019 – 3,727).

Since the year end a further 487,500 Ordinary shares of 25p have been purchased by the Company at a total cost of £4,932,000 all of which are held in treasury.

15. Reserves

	2020 £'000	2019 £'000
Capital reserve		
At 31 July 2019	351,781	346,123
Movement in investment holdings fair value	(89,749)	(40,498)
Gains on realisation of investments at fair value	22,188	61,607
Purchase of own shares to treasury	(15,552)	(13,789)
Expense update for issue of 2025 CULS	–	(60)
Movement in deferred liability on Indian capital gains	158	(231)
Foreign exchange movement	(76)	(1,371)
At 31 July 2020	268,750	351,781

The capital reserve includes investment holding gains amounting to £80,161,000 (2019 – £169,910,000) as disclosed in note 10. The above split in capital reserve is shown in accordance with provisions of the Statement of Recommended Practice 'Financial Statements Of Investment Trust Companies and Venture Capital Trusts'.

16. Net asset value per Ordinary share

	2020	2019
Basic		
Net assets attributable	£358,956,000	£441,010,000
Number of Ordinary shares in issue ^A	32,442,209	33,909,349
Net asset value per Ordinary share	1,106.45p	1,300.56p
Diluted		
Net assets attributable	£394,453,000	£476,509,000
Number of Ordinary shares in issue ^A	34,946,935	36,431,208
Net asset value per Ordinary share ^B	n/a	n/a

^A Calculated excluding shares held in treasury

^B The diluted net asset value per Ordinary share has been calculated on the assumption that £36,694,231 (2019 – £36,945,232) 2.25% Convertible Unsecured Loan Stock 2025 (“CULS”) is converted at 1465.0p per share, giving a total of 34,946,935 (2019 – 36,431,208) Ordinary shares. Where dilution occurs, the net assets are adjusted for items relating to the CULS.

Net asset value per share – debt converted. In accordance with the Company's understanding of the current methodology adopted by the AIC, convertible financial instruments are deemed to be ‘in the money’ if the cum income net asset value (“NAV”) exceeds the conversion price of 1,465.0p per share. In such circumstances a net asset value is produced and disclosed assuming the convertible debt is fully converted. At 31 July 2020 the cum income NAV was 1,106.50p (2019 – 1,300.56p) and thus the CULS were ‘not in the money’ (2019 – same).

17. Analysis of changes in net debt

	At 31 July 2019 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 July 2020 £'000
Cash and short term deposits	10,239	(641)	1,321	-	10,919
Debt due within one year	(20,407)	565	8,652	(10)	(11,200)
Debt due after more than one year	(35,499)	-	-	2	(35,497)
	(45,667)	(76)	9,973	(8)	(35,778)
	At 31 July 2018 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 July 2019 £'000
Cash and short term deposits	9,398	(60)	901	-	10,239
Debt due within one year	(7,623)	(1,305)	(1,960)	(9,519)	(20,407)
Debt due after more than one year	(44,715)	-	-	9,216	(35,499)
	(42,940)	(1,365)	(1,059)	(303)	(45,667)

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.

Notes to the Financial Statements continued

18. **Related party transactions and transactions with the Manager.** Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration Report on pages 51 to 53. The balance of fees due to Directors at the year end was £nil (2019 – £nil).

Up until his retirement from the Standard Life Aberdeen plc Group (the "Group") on 30 September 2020 Mr Gilbert was Chairman of Aberdeen Standard Investments. Mr Young (Alternate Director to Mr Gilbert) is a director of Standard Life Aberdeen subsidiary ASI Asia, which has been delegated, under an agreement with ASFML, to provide management services to the Company, the terms of which are outlined in notes 4 and 5 along with details of transactions during the year and balances outstanding at the year end. Mr Young is not a director of ASFML.

Mr Yea is chairman of Equiniti Group Plc which acts as Registrar and Receiving Agent to the Company. Mr Yea is excluded from participation in all discussions relating to the appointment of Equiniti. Details of the transactions during the year with Equiniti are outlined in note 5 on page 74. Balances outstanding at the year end amounted to £12,000 (2019 – £5,000).

19. **Financial instruments**

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

The Board has delegated the risk management function to ASFML under the terms of its management agreement with ASFML (further details of which are included under note 4 and in the Directors' Report) however, it remains responsible for the risk and control framework and operation of third parties. The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors.

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

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

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

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

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

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

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

Interest rate risk. Interest rate movements may affect:

- the level of income receivable on cash deposits;
- valuation of debt securities in the portfolio.

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

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

At 31 July 2020	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Sterling	-	-	-	10,091
Indian Rupee	-	-	-	394
Pakistan Rupee	-	-	-	14
Thailand Baht	-	-	-	331
Vietnam Dong	-	-	-	7
Malaysian Ringgit	-	-	-	81
New Zealand Dollar	-	-	-	1
	-	-	-	10,919
Liabilities				
Short-term loan	0.02	1.0	11,200	-
2.25% Convertible Unsecured Loan Stock 2025	4.83	3.1	35,497	-
	-	-	46,697	-

Notes to the Financial Statements continued

At 31 July 2019	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Sterling	-	0.47	-	4,119
Indian Rupee	-	-	-	5,749
Pakistan Rupee	-	-	-	16
Thailand Baht	-	-	-	4
Vietnam Dong	-	-	-	170
Taiwan Dollar	-	-	-	180
New Zealand Dollar	-	-	-	1
	-	-	-	10,239
Liabilities				
Short-term loan	0.86	2.5	10,198	-
Short-term loan	0.06	3.1	10,209	-
2.25% Convertible Unsecured Loan Stock 2025	5.77	3.1	35,499	-
	-	-	55,906	-

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 interest payable, weighted by the value of the loan. Details of the Company's loan are shown in note 12 to the financial statements.

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

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

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

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

Management of the risk. It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings.

The revenue account is subject to currency fluctuations arising on dividends receivable in foreign currencies and, indirectly, due to the impact of foreign exchange rates upon the profits of investee companies. It is not the Company's policy to hedge this currency risk but the Board keeps under review the currency returns in both capital and income.

Foreign currency risk exposure by currency of denomination:

	31 July 2020			31 July 2019		
	Overseas investments £'000	Net monetary assets/ (liabilities) £'000	Total currency exposure £'000	Overseas Investments £'000	Net monetary assets/ (liabilities) £'000	Total currency exposure £'000
Australian Dollar	260	-	260	9,938	-	9,938
Danish Krona	8,187	-	8,187	8,083	-	8,083
Hong Kong Dollar	41,200	-	41,200	60,095	-	60,095
Indian Rupee	56,026	394	56,420	69,584	5,749	75,333
Indonesian Rupiah	28,732	-	28,732	37,929	-	37,929
Korean Won	21,482	-	21,482	13,702	-	13,702
Malaysian Ringgit	33,425	81	33,506	52,448	-	52,448
Taiwan Dollar	33,601	-	33,601	19,442	180	19,622
New Zealand Dollar	13,359	1	13,360	17,619	-	17,619
Pakistan Rupee	1,063	14	1,077	980	16	996
Philippine Peso	24,586	-	24,586	28,150	-	28,150
Singapore Dollar	44,480	-	44,480	52,787	-	52,787
Sri Lankan Rupee	13,216	-	13,216	18,360	-	18,360
Thailand Baht	50,902	331	51,233	72,939	4	72,943
United States Dollar	-	-	-	-	(20,407)	(20,407)
Vietnamese Dong	13,939	7	13,946	10,616	170	10,786
	384,458	828	385,286	472,672	(14,288)	458,384
Sterling	10,009	(36,606)	(26,597)	12,037	(31,379)	(19,342)
Total	394,467	(35,778)	358,689	484,709	(45,667)	439,042

Foreign currency sensitivity. The Company's foreign currency financial instruments are in the form of equity investments, fixed interest investments, cash and bank loans. The sensitivity of the former has been included within other price risk sensitivity analysis so as to show the overall level of exposure. The sensitivity of the fixed interest investments has been included within interest rate sensitivity above. Based upon exchange rates at the Statement of Financial Position date, a 10% increase in Sterling would result in a decrease in the value of the United States Dollar bank loan of £nil (2019 - £1,515,000) and a 10% decrease in Sterling would result in an increase in the value of the United States Dollar bank loan of £nil (2019 - £1,852,000). Due consideration is paid to foreign currency risk throughout the investment process.

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

Investment in Far East equities or those of companies that derive significant revenue or profit from the Far East involves a greater degree of risk than that usually associated with investment in the securities in major securities markets. The securities that the Company owns may be considered speculative because of this higher degree of risk. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. Both the allocation of assets and the stock selection process, as detailed on page 94, act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on various stock exchanges worldwide.

Notes to the Financial Statements continued

Other price risk sensitivity. If market prices at the reporting date had been 20% (2019 – 20%) higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 July 2020 would have increased/(decreased) by £78,894,000 (2019 – increased/(decreased) by £96,942,000) and equity reserves would have increased/(decreased) by the same amount.

Liquidity risk. This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

Management of the risk. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Gearing comprises both bank loans and convertible unsecured loan stock. The Board has imposed a maximum gearing level, measured on the most stringent basis of calculation after netting off cash equivalents, of 25%. Details of borrowings at the 31 July 2020 are shown in notes 12 and 13.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Short-term flexibility is achieved through the use of a loan facility, details of which can be found in note 12. Under the terms of the loan facility, the Manager provides the lender with loan covenant reports on a monthly basis, to provide the lender with assurance that the terms of the facility are not being breached. The Manager will also review the credit rating of a lender on a regular basis. Details of the Board's policy on gearing are shown in the investment policy section on page 11.

Liquidity risk exposure. At 31 July 2020 the Company had borrowings in the form of the £36,694,000 (2019 – £36,945,000) nominal of 2.25% Convertible Unsecured Loan Stock 2025.

At 31 July 2020 the Company's term bank loan was fully repaid (2019 – £10,198,000; repayment date 8 June 2020). The Company's rolling bank loan, amounting to £11,200,000 (2019 – £10,209,000), was due for repayment on 6 August 2020. The maximum exposure during the year was £18,466,000 (2019 – £20,407,000) and the minimum exposure during the year was £11,200,000 (2019 – £17,233,000).

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

	Expected cashflows £'000	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000
31 July 2020				
2.25% Convertible Unsecured Loan Stock 2025	40,306	–	826	39,480
Short-term loan	11,200	11,200	–	–
	51,506	11,200	826	39,480

	Expected cashflows £'000	Due within 3 months £'000	Due between 3 months and 1 year £'000	Due after 1 year £'000
31 July 2019				
2.25% Convertible Unsecured Loan Stock 2025	41,179	–	831	40,348
Short-term loan	10,238	10,238	–	–
Short-term loan	12,759	65	12,694	–
	64,176	10,303	13,525	40,348

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

Management of the risk. Investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Investment Manager, and limits are set on the amount that may be due from any one broker. Settlement of investment transactions are also done on a delivery versus payment basis;

- the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a monthly basis. In addition, the third party administrator carries out a stock reconciliation to Custodian records on a monthly basis to ensure discrepancies are picked up on a timely basis. The Manager's compliance department carries out periodic reviews of the Custodian's operations and reports its finding to the Manager's risk management committee. This review will also include checks on the maintenance and security of investments held; and
- cash is held only with reputable banks with high quality external credit ratings.

It is the Manager's policy to trade only with A- and above (Long Term rated) and A-1/P-1 (Short Term rated) counterparties.

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

Credit risk exposure. In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 31 July was as follows:

	2020		2019	
	Statement of Financial Position £'000	Maximum exposure £'000	Statement of Financial Position £'000	Maximum exposure £'000
Current assets				
Debtors	1,541	1,541	3,617	3,617
Cash and short term deposits	10,919	10,919	10,239	10,239
	12,460	12,460	13,856	13,856

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

Fair values of financial assets and financial liabilities. Investments held at fair value through profit or loss are valued at their quoted bid prices which equate to their fair values. The Directors are of the opinion that the other financial assets and liabilities, excluding CULS which are held at amortised cost, are stated at fair value in the Statement of Financial Position and considered that this approximates to the carrying amount.

20. **Fair value hierarchy.** FRS 102 requires an entity to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

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

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

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

The financial assets measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at 31 July 2020 as follows:

Notes to the Financial Statements continued

As at 31 July 2020	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets and liabilities at fair value through profit or loss					
Quoted equities	a)	394,467	-	-	394,467
Net fair value		394,467	-	-	394,467

As at 31 July 2019	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets and liabilities at fair value through profit or loss					
Quoted equities	a)	484,709	-	-	484,709
Net fair value		484,709	-	-	484,709

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.

21. **Capital management policies and procedures.** The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt (comprising bank borrowings and CULS) and equity balance.

The Company's capital comprises the following:

	2020 £'000	2019 £'000
Equity		
Equity share capital	10,434	10,430
Reserves	348,522	430,580
Liabilities		
Bank loans	11,200	20,407
CULS	35,497	35,499
	405,653	496,916

The Board's policy is to utilise gearing when the Manager believes it appropriate to do so, up to a maximum of 25% geared at the time of drawdown. Gearing for this purpose is defined as the excess amount above shareholders' funds of total assets (including net current assets/liabilities) less cash/cash equivalents, expressed as a percentage of the shareholders' funds. If the amount so calculated is negative, this is shown as a 'net cash' position.

	2020 £'000	2019 £'000
Investments at fair value through profit or loss	394,467	484,709
Current assets excluding cash and cash equivalents	1,179	1,550
Current liabilities excluding bank loans	(1,274)	(1,649)
	394,372	484,610
Net assets	358,956	441,010
Gearing (%)	9.9	9.9

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

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

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

The Company does not have any externally imposed capital requirements.

22. **Subsequent events.** On 20 October 2020 the Board announced that it had agreed terms (through the acceptance of a conditional offer that is subject to diligence and agreement of legal documentation) to extend and secure the Company's long-term borrowings through the issuance of a £30 million 15 year Senior Unsecured Loan Note (the "Loan Note") at an annualised interest rate of 3.05%. The Loan Note will be unsecured, unlisted and denominated in sterling. The Loan Note shall rank pari passu with the Company's other unsecured and unsubordinated financial indebtedness. The Company intends to use the proceeds of the Loan Note to repay, and cancel in full, the Company's Loan Facility. The remainder will be available for the Company's Manager to invest on behalf of the Company. Under the terms of the Loan Note up to an additional £35 million will also be available for drawdown by the Company for a five-year period. The Board's current intention would be to only draw this down to repay any of the Company's existing Convertible Unsecured Loan Stock, either at their redemption in 2025, or before. This will be kept under review. The minimum drawdown would be in tranches of £10 million and the exact terms of such borrowing would be agreed at the time of drawdown. The Company will pay no fees on this facility, other than minimal legal fees.

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.

Total return. NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return involves a calculation that invests 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 a calculation that invests the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the years ended 31 July 2020 and 31 July 2019 and total return for the year.

	Dividend rate	NAV	Share price
2020			
31 July 2019	N/A	1,300.56p	1,150.00p
14 November 2019	19.00p	1,206.37p	1,050.00p
31 July 2020	N/A	1,106.45p	980.00p
Total return		-13.6%	-13.2%

	Dividend rate	NAV	Share price
2019			
31 July 2018	N/A	1,231.90p	1,050.00p
20 December 2018	17.00p	1,159.30p	1,000.00p
31 July 2019	N/A	1,300.56p	1,150.00p
Total return		+7.1%	+11.4%

Discount to net asset value per Ordinary share. The difference between the share price of 980.00p (31 July 2019 – 1,150.00p) and the net asset value per Ordinary share of 1,106.45p (31 July 2019 – 1,300.56p) expressed as a percentage of the net asset value per Ordinary share.

Dividend cover. Revenue return per share of 21.45p (2019 – 21.64p) divided by dividends declared for the year per share of 19.00p (2019 – 19.00p) expressed as a ratio.

Net gearing. Net gearing measures the total borrowings of £46,697,000 (31 July 2019 – £55,906,000) less cash and cash equivalents of £11,281,000 (31 July 2019 – £12,306,000) divided by shareholders’ funds of £358,956,000 (31 July 2019 – £441,010,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to brokers at the year end of £362,000 (31 July 2019 – £2,067,000) as well as cash and short term deposits of £10,919,000 (31 July 2019 – £10,239,000).

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 net asset values with debt at fair value throughout the year.

	2020	2019
Investment management fees (£'000)	3,121	3,711
Administrative expenses (£'000)	1,040	1,091
Less: non-recurring charges (£'000)	(1)	(3)
Ongoing charges (£'000)	4,160	4,799
Average net assets (£'000)	380,361	412,437
Ongoing charges ratio	1.09%	1.16%

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations, which includes finance costs and transaction charges.

Corporate Information

The Company's Investment Manager is Aberdeen Standard Investments (Asia) Limited, a wholly owned subsidiary of Standard Life Aberdeen plc with assets under management and administration of £511.8 billion as at 30 June 2020.

Information about the Manager

Aberdeen Standard Investments (Asia) Limited

Aberdeen Standard Fund Managers Limited ("ASFML"), authorised and regulated by the Financial Conduct Authority, has been appointed as alternative investment fund manager to the Company. ASFML has in turn delegated portfolio management to Aberdeen Standard Investments (Asia) Limited ("ASI Asia").

Aberdeen Standard Investments

Worldwide, the Manager has a combined £511.8 billion (as at 30 June 2020) in assets under management and administration for a range of clients, including individuals and institutions, through mutual and segregated funds.

Aberdeen Standard Investments has its headquarters in Edinburgh with principal offices in Aberdeen, London, Singapore, Philadelphia, Bangkok, Edinburgh, Hong Kong, Luxembourg, Kuala Lumpur, Jersey, Sao Paulo, Stockholm, Sydney, Taipei, and Tokyo.

The Investment Team Senior Managers

Hugh Young
Managing Director



BA in Politics from Exeter University. Started investment career in 1980. In charge of ASI Asia's Far East funds since 1985.

Flavia Cheong
Head of Equities –
Asia Pacific, Asian Equities



Masters in Economics from University of Auckland. Previously with Investment Company of the People's Republic of China and Development Bank of Singapore. Started investment career in 1987. Joined ASI Asia in August 1996.

Gabriel Sacks
Investment Director,
Equities Asia



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

Pruksa Iamthongthong
Investment Director,
Equities Asia



Chartered Financial Analyst, BA in Business Administration from Chulalongkorn University, Thailand joined ASI Asia in 2007.

The Investment Process

Philosophy and Style

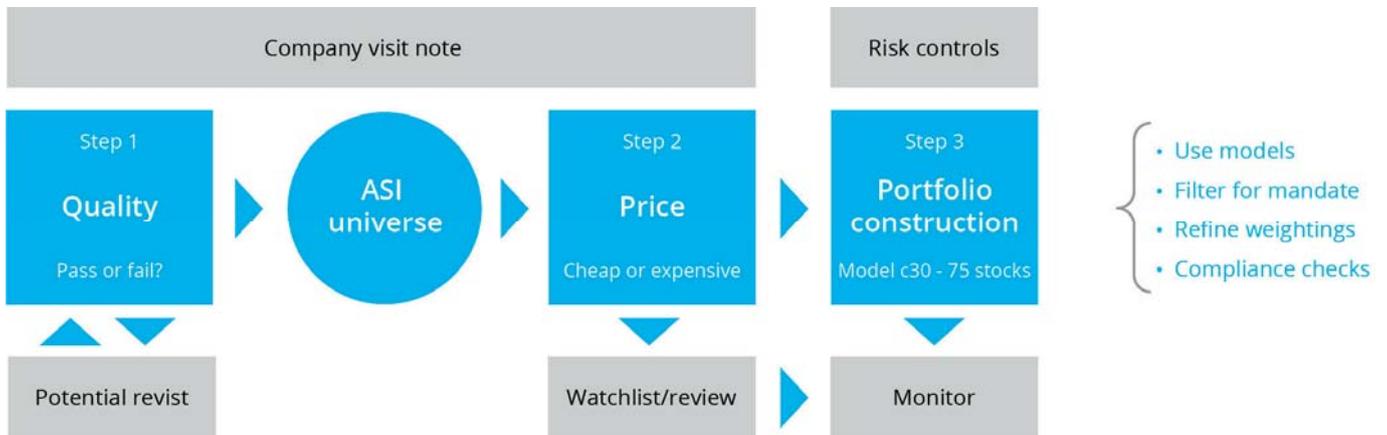
The Manager's investment philosophy is that markets are not always efficient. We (ASI Asia) believe that superior investment returns are therefore attainable by identifying good companies cheaply, defined in terms of the fundamentals that in our opinion drive share prices over the long term. We undertake substantial due diligence before initiating any investment including company visits in order to assure ourselves of the quality of the prospective investment. We are then careful not to pay too high a price when making the investment.

Subsequent to that investment we then keep in close touch with the company, aiming to meet management at least twice a year. Given our long-term fundamental investment philosophy, one would not expect much change in the companies in which we invest. We do, however, take opportunities offered to us by what we see as anomalous price movements within stock markets to either top up or top slice positions, which accounts for the bulk of the activity within the portfolio during a typical year.

Risk Controls

ASI Asia seeks to minimise risk by its in depth research. We do not view divergence from a benchmark as risk – we view investment in poorly run expensive companies that we do not understand as risk. In fact where risk parameters are expressed in benchmark relative terms, asset – including sector – allocation constitutes a significant constraint on stock selection. Hence diversification of stocks provides our main control.

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



Investor Information

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Company's website (asia-focus.co.uk) and the TrustNet website (trustnet.co.uk). Alternatively you can call 0808 500 0040 (free when dialling from a UK landline) for investment company information.

Twitter:

<https://twitter.com/AberdeenTrusts>

LinkedIn:

<https://www.linkedin.com/company/aberdeen-standard-investment-trusts>

AIFMD

The Company has appointed Aberdeen Standard Fund Managers Limited as its alternative investment fund manager and BNP Paribas Securities Services as its depositary under the AIFMD. Details of the leverage and risk policies which the Company is required to have in place under AIFMD are published in the Company's PIDD which can be found on the website asia-focus.co.uk. The KID relating to the Company and published by the Manager can be found in the 'Literature Library' section of the Company's website. The periodic disclosures required to be made by the AIFM under the AIFMD are set out on page 98.

Website

Further information on Aberdeen Standard Asia Focus PLC can be found on its own dedicated website: asia-focus.co.uk. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports.

Investor Warning

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

These callers do not work for Aberdeen Standard Investments and any third party making such offers has no link with Aberdeen Standard Investments. Aberdeen Standard Investments does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact our Customer Services Department using the details below.

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

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Trust's website: asia-focus.co.uk and the TrustNet website: trustnet.co.uk. Alternatively direct private investors can call 0808 500 00 40 (free when dialling from a UK landline) for trust information. Alternatively, internet users may email Aberdeen Standard Investments at inv.trusts@aberdeen-asset.com or write to Aberdeen Standard Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

Shareholder Enquiries

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc shareholders holding their shares in the Company directly should contact the registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing West Sussex BN99 6DA Tel: 0371 384 2416 Lines open 8:30am to 5:30pm (UK time), Monday to Friday, (excluding public holidays in England and Wales). Calls may be recorded and monitored randomly for security and training purposes. Changes of address must be notified to the registrars in writing.

Any general enquiries about the Company should be directed to the Company Secretary, Aberdeen Standard Asia Focus PLC, 1 George Street, Edinburgh EH2 2LL or by email company.secretary@aberdeenstandard.com.

If you have any questions about an investment held through the Aberdeen Standard Investment Trust Share Plan, Stocks and Shares ISA or Investment Plan for Children, please telephone the Manager's Customer Services Department on 0808 500 0040. Alternatively, email inv.trusts@aberdeenstandard.com or write to Aberdeen Standard Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB.

Direct

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through the Aberdeen Standard Investment Plan for Children, Aberdeen Standard Investment Trust Share Plan and Investment Trust ISA.

Aberdeen Standard Investment Plan for Children

Aberdeen Standard Investments runs 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, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). 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

Investor Information continued

invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable on entry. 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 Aberdeen Standard Investments 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.

Aberdeen Standard Investment Trust Share Plan

Aberdeen Standard Investments runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable on entry. 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 Aberdeen Standard Investments 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.

Aberdeen Standard Investment Trust ISA

Aberdeen Standard Investments operates an Investment Trust ISA ("ISA") through which an investment may be made of up to £20,000 in the tax year 2020/2021.

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

ISA Transfer

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

Literature Request Service

For literature and information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer including application forms for the Company and the Manager's investment trust products, please contact:

Aberdeen Standard Investment Trust Administration
PO Box 11020
Chelmsford
Essex, CM99 2DB

Telephone: 0808 500 00 40
(free when dialling from a UK landline)

Terms and conditions for the Aberdeen Standard Investments managed savings products can also be found under the literature section of invtrusts.co.uk

Online Dealing details

There are a number of other ways in which you can buy and hold shares in this investment company.

Online dealing

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the company. Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and terms. Some well-known online providers, which can be found through internet search engines, include: AJ Bell You Invest; Alliance Trust Savings; Barclays Stockbrokers; Charles Stanley Direct; Halifax Share Dealing; Hargreave Hale; Idealing; Interactive Investor; EQi; The Share Centre; Stocktrade; and, Hargreaves Lansdown.

Discretionary private client stockbrokers

If you have a large sum to invest, you may wish to contact a discretionary private client stockbroker. They can manage your entire portfolio of shares and will advise you on your investments. To find a private client stockbroker visit the Personal Investment Management and Financial Advice Association at: pimfa.co.uk.

Independent Financial Advisers

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

Regulation of Stockbrokers

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

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

Suitable for Retail/NMPI Status

The Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking exposure to smaller companies in Asia, 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, and intends to continue to do so for the foreseeable future, in order that the shares issued by Aberdeen Standard Asia Focus PLC 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).

The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because they are shares in an investment trust.

Note

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

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

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

The information on pages 95 to 97 has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority

Alternative Investment Fund Managers Directive Disclosures (Unaudited)

Aberdeen Standard Investments and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ('AIFMD'). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ('PIDD') which can be found on the Company's website asia-focus.co.uk. There have been no material changes to the disclosures contained within the PIDD since December 2019.

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

- Information on the investment strategy, geographic and sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets are subject to special arrangements arising from their illiquid nature.
- The Strategic Report, note 19 to the Financial Statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by ASFML.
- All authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the Company's AIFM remuneration policy is available from the Company Secretaries, Aberdeen Asset Management PLC on request (see contact details on page 95) and the numerical remuneration in the disclosures in respect of the AIFM's reporting period for the year ended 31 December 2019 are available on the Company's website.

Leverage

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

	Gross method	Commitment method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 31 July 2020	1.12	1.15

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

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

General

“There will be no physical presentation from the investment managers at the AGM and no refreshments will be offered. If the guidance on public gatherings remains in place in December, shareholders are strongly discouraged from attending the meeting and indeed entry may be refused if the law and/or Government guidance so requires.”

Notice of Annual General Meeting

Notice is hereby given that the twenty-fifth Annual General Meeting of Aberdeen Standard Asia Focus PLC will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH, at 9:00 a.m. on 1 December 2020 for the following purposes:

To consider and if thought fit, pass the following Resolutions of which Resolutions 1 to 13 will be proposed as Ordinary Resolutions and Resolutions 14 to 16 as Special Resolutions:

Ordinary Business

1. To receive and adopt the Directors' Report and financial statements for the year ended 31 July 2020, together with the auditor's report thereon.
2. To receive and adopt the Directors' Remuneration Report for the year ended 31 July 2020 (other than the Directors' Remuneration Policy).
3. To approve the Directors' Remuneration Policy.
4. To approve the payment of a final dividend of 14.5p per Ordinary share.
5. To approve the payment of a special dividend of 4.5p per Ordinary share.
6. To re-elect Mr N.K. Cayzer as a Director.
7. To re-elect Mr M.J. Gilbert as a Director.
8. To re-elect Viscount Dunluce as a Director.
9. To re-elect Ms C. Black as a Director.
10. To re-elect Ms D. Guthrie as a Director.
11. To elect Mr K. Shanmuganathan as a Director.
12. To appoint PricewaterhouseCoopers LLP as auditor and to authorise the Directors to determine their remuneration.

Special Business

13. THAT in substitution for all existing powers the Directors of the Company be generally and unconditionally authorised for the purposes of Section 551 of the Companies Act 2006 (the "Act"), to allot shares in the Company, and to grant rights ("Relevant Rights") to subscribe for, or to convert any security into, shares in the Company:
 - (a) up to an aggregate nominal amount of £2,662,892; and
 - (b) up to a further aggregate nominal amount of £2,662,892 in connection with an offer made by means of a negotiable document to (a) all holders of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares") in proportion (as nearly as may be) to the respective numbers of such Ordinary shares held by them and (b) to holders of other equity securities required by the rights of those securities (but subject to such exclusions, limits or restrictions or other arrangements as the Directors of the Company may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of any territory, or the requirements of any regulatory body or any stock exchange in any territory or otherwise howsoever); such authorisation to expire at the conclusion of the next Annual General Meeting of the Company to be held in 2021 unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may at any time before the expiry of this authorisation make an offer or enter into an agreement which would or might require shares to be allotted or relevant rights to be granted after the expiry of this authorisation and the Directors of the Company may allot shares or grant relevant rights in pursuance of any such offer or agreement as if the authorisation conferred hereby had not expired.
 14. THAT subject to the passing of Resolution numbered 13 above and in substitution for all existing powers the Directors be empowered pursuant to Sections 570 and 573 of the Companies Act 2006 (the "Act") to allot equity securities (within the meaning of Section 560 (1), (2) and (3) of the Act) either pursuant to the authorisation under Section 551 of the Act as conferred by Resolution 13 above or by way of a sale of treasury shares, in each case for cash as if Section 561(1) of the Act did not apply to such allotment, provided that this power shall be limited to:
 - (i) the allotment of equity securities (otherwise than pursuant to sub-paragraph (b) below) up to an aggregate nominal amount of £798,867 which are, or are to be, wholly paid up in cash, at a price representing a premium to the net asset value per share at allotment, as determined by the Directors, and do not exceed up to 10% of the issued share capital (as at the date of the Annual General Meeting convened by this notice); and
-

- (ii) the allotment of equity securities in connection with an offer to (a) all holders of Ordinary shares of 25p each in the capital of the Company in proportion (as nearly as may be) to the respective numbers of Ordinary shares held by them and (b) to holders of other equity securities as required by the rights of those securities (but subject in either case to such exclusions limits or restrictions or other arrangements as the Directors may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in or under the laws of, or requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever) at a price representing a premium to the net asset value per share at allotment, as determined by the Directors; and

such power shall expire at the conclusion of the next Annual General Meeting of the Company to be held in 2021, but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may do so as if such expiry had not occurred.

15. THAT, the Company be generally and unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the "Act") to make market purchases (within the meaning of Section 693(4) of the Act) of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares"), and to cancel or hold in treasury such shares provided that:
- (i) the maximum number of Ordinary shares hereby authorised to be purchased is 14.99% of the Ordinary shares in issue as at the date of the passing of this Resolution 15;
 - (iii) the minimum price which may be paid for an Ordinary share is 25p;
 - (iv) the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall not be more than the higher of (i) an amount equal to 5% above the average of the middle market quotations for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the date on which the Ordinary share is contracted to be purchased; and (ii) the higher of the price of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out;
 - (v) any purchase of shares will be made in the market for cash at prices below the prevailing net asset value per share (as determined by the Directors);
 - (vi) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2021 unless such authority is renewed, revoked or varied prior to such time by the Company in general meeting; and
 - (vii) the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract.
16. THAT a general meeting other than an Annual General Meeting may be called on not less than 14 days' notice.

Bow Bells House
1 Bread Street
London EC4M 9HH
5 November 2020

By order of the Board
Aberdeen Asset Management PLC
Secretary

NOTES:

- (i) In accordance with Section 311A of the Companies Act 2006, the contents of this Notice of Meeting, details of the total number of shares in respect of which members are entitled to exercise voting rights at the AGM and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this notice will be available on the Company's website asia-focus.co.uk.
- (ii) As a member, you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the Meeting. A proxy need not be a member of the Company. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise the rights attached to any one share. A form of proxy is enclosed.
- (iii) To be valid, any form of proxy or other instrument of proxy and any power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of attorney or authority should be sent to the Company's registrars so as to arrive not less than 48 hours before the time fixed for the meeting. The return of a completed form of proxy or other instrument of proxy will not prevent you attending the Meeting and voting in person if you wish to do so.

Notice of Annual General Meeting Continued

- (iv) The right to vote at the meeting is determined by reference to the Company's Register of Members as at 6.30 p.m. on 27 November 2020 or, if this meeting is adjourned, at 6.30 p.m. on the day two business days prior to the adjourned meeting. Changes to the entries on that Register after that time shall be disregarded in determining the rights of any member to attend and vote at the meeting.
 - (v) As a member you have the right to put questions at the meeting relating to the business being dealt with at the meeting.
 - (vi) CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so for the Meeting and any adjournment(s) thereof by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
 - (vii) In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's ("EUI") specifications and must contain the information required for such instructions, as described in the CREST Manual which can be viewed at euroclear.com. The message must be transmitted so as to be received by the issuer's agent (ID RA19) by the latest time(s) for receipt of proxy appointments specified in the notice of Meeting. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.
 - (viii) CREST members and, where applicable, their CREST sponsors or voting service providers should note that EUI does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
 - (ix) You may also submit your proxy votes via the internet. You can do so by visiting www.sharevote.co.uk. You will require your voting ID, task ID and Shareholder Reference Number. This information can be found under your name on your form of proxy. Alternatively, shareholders who have already registered with Equiniti Registrars' online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk using their user ID and password. Once logged in, click "view" on the "My Investments" page. Click on the link to vote and follow the on screen instructions.
 - (x) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
 - (xi) Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between them and the member by whom they were nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, they may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights. Any person holding 3% of the total voting rights in the Company who appoints a person other than the Chairman as his or her proxy(ies) will need to ensure that both he or she and such proxy(ies) comply with their respective disclosure obligations under the UK Disclosure and Transparency Rules.
 - (xii) The statement of the rights of members in relation to the appointment of proxies in paragraphs 2 and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by members of the Company.
 - (xiii) As at close of business on 28 October 2020 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 31,954,709 Ordinary shares of 25 pence each and there were a further 9,781,418 shares held in treasury. Each Ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at close of business on 28 October 2020 is 31,954,709. Treasury shares represent 23.4% of the total issued Ordinary share capital (inclusive of treasury shares).
 - (xiv) No Director has a service contract with the Company, however, copies of Directors' letters of appointment will be available for inspection for at least 15 minutes prior to the meeting and during the meeting.
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- (xv) Under Section 338 of the Companies Act 2006, members may require the Company to give, to members of the Company entitled to receive this Notice of Meeting, notice of a resolution which may properly be moved and is intended to be moved at the Meeting. Under Section 338A of that Act, members may request the Company to include in the business to be dealt with at the Meeting any matter (other than a proposed resolution) which may be properly included in the business.
- (xvi) Members should note that it is possible that, pursuant to requests made by the members of the Company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid out before the Meeting; or (ii) any circumstances connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with Section 437 of the Companies Act 2006. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Meeting includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on the website.
- (xvii) Pursuant to Section 319A of the Companies Act 2006, the Company must cause to be answered at the AGM any question relating to the business being dealt with at the AGM which is put by a member attending the meeting, except in certain circumstances, including if it is undesirable in the interests of the Company or the good order of the meeting that the question be answered or if to do so would involve the disclosure of confidential information.
- (xviii) You may not use any electronic address provided either in this Notice of Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
- (xix) There are special arrangements for holders of shares through Aberdeen Standard Investment's Investment Plan for Children, Investment Trust Share Plan and Investment Trust Individual Savings Account ('Plan Participants'). These are explained in the separate 'Letter of Direction' which Plan Participants will have received with this Annual Reports.
- (xx) ***Given the risks posed by the spread of the Coronavirus and in accordance with the provisions of the Articles of Association and Government guidance, physical attendance at the Annual General Meeting may not be possible. If the guidance on public gatherings remains in place in December, shareholders are strongly discouraged from attending the meeting and indeed entry may be refused if the law and/or Government guidance so requires. At the time of the meeting, the Chairman may limit, in his sole discretion, the number of individuals in attendance at the meeting. If social distancing or local lock-down measures are in place at the time of the meeting, such attendance will be limited to two persons. Should the Government measures be relaxed by the time of the meeting, the Company may still impose entry restrictions on certain persons wishing to attend the Annual General Meeting in order to ensure the safety of those attending the meeting.***

Glossary of Terms and Definitions

ASI Asia or the Investment Manager

Aberdeen Standard Investments (Asia) Limited is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Company's investment manager

Standard Life Aberdeen plc

Standard Life Aberdeen plc was formed by the merger of Aberdeen Asset Management PLC and Standard Life plc on 14 August 2017

Aberdeen Standard Investments

Aberdeen Standard Investments is a brand of the investment businesses of Standard Life Aberdeen plc

Standard Life Aberdeen Group

the Standard Life Aberdeen group of companies

ASFML or Manager

Aberdeen Standard Fund Managers Limited

AIC

Association of Investment Companies

AIFM

the alternative investment fund manager, being ASFML

AIFMD

The Alternative Investment Fund Managers Directive

Asset Cover

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

CULS 2025

The £36.9 million nominal of 2.25% Convertible Unsecured Loan Stock 2025 issued on 29 May 2018

CULS Conversion Date

The CULS is convertible at any time during the periods of 28 days ending on 30 November and 31 May in each year from November 2018 to May 2025 (each such period and any other period during which Conversion Rights may be exercised being a "Conversion Period") conversions requests are to be received by 5.00 p.m. on the last day of the relevant Conversion Period (each such last day being a "Conversion Date" and the Conversion Date falling on 31 May 2025 or Final Repayment Date being the "Final Conversion Date")

CULS Conversion Price

The CULS is convertible semi-annually on the Conversion Date on the basis of 1465p nominal of CULS for one Ordinary share. This equated to a 20% premium to the unaudited NAV per Ordinary share (including income) on 18 May 2018, rounded down to the nearest 5 pence

Dilution

Dilution is the potential impact of the conversion of CULS to Ordinary shares on the net asset value and share price of the Company

Discount

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

Dividend Cover

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

Dividend Yield

The annual dividend expressed as a percentage of the share price

FRC

Financial Reporting Council

Leverage

For the purposes of the Alternative Investment Fund Managers (AIFM) Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other

Net Asset Value or NAV

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

Net Gearing

Net gearing is calculated by dividing total assets (as defined below) less cash or cash equivalents by shareholders' funds expressed as a percentage

Ongoing Charges

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

PIDD

The pre-investment disclosure document made available by the AIFM in relation to the Company

Premium

The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share

Prior Charges

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

Total Assets

Total assets less current liabilities (before deducting prior charges as defined above)

Total Return

Total return involves reinvesting the net dividend in the month that the share price goes ex-dividend. The NAV total return (including diluted) involves investing the same net dividend in the NAV of the trust on the date to which that dividend was earned

Your Company's Recent Share Capital History

Issued Share Capital at 31 July 2020

32,32,442,209

Ordinary shares of 25p (excluding treasury shares)

9,293,918

Ordinary shares held in treasury

Capital History

19 October 1995

35,000,000 Ordinary shares of 25p each placed at 100p with 7,000,000 Warrants attaching, each conferring the right to subscribe for one Ordinary share of 25p at 100p

Year ended 31 July 2010

502,069 Ordinary shares purchased for treasury at prices ranging from 296.7p to 455.0p and 442,698 Ordinary shares issued following the exercise of Warrants

Year ended 31 July 2011

3,823,595 Ordinary shares issued following the final exercise of Warrants

18 May 2012

£35 million nominal of Convertible Unsecured Loan Stock 2019 ("CULS") issued at 100p per unit

Year ended 31 July 2013

23,372 new Ordinary shares issued following the conversion of 194,182 units of CULS in December 2012 and 182,787 new Ordinary shares issued following the conversion of 1,517,404 units of CULS in May 2013

Year ended 31 July 2013

2,605,000 Ordinary shares issued for cash and sold from treasury at a premium to NAV

Year ended 31 July 2014

300,000 Ordinary shares issued for cash at a premium to NAV; 23,228 new Ordinary shares issued following the conversion of 192,896 units of CULS in December 2013; and, 2,210 new Ordinary shares issued following the conversion of 18,397 units of CULS in May 2014

Year ended 31 July 2015

142,000 Ordinary shares purchased for treasury at a discount to NAV; 3,510 new Ordinary shares issued following conversion of 29,188 units of CULS in December 2014; 573 new Ordinary shares issued following conversion of 4,790 units of CULS in June 2015

Year ended 31 July 2016

2,059,834 Ordinary shares purchased for treasury at a discount to NAV; 137 new Ordinary shares issued following conversion of 1,137 units of CULS in December 2015; 141 new Ordinary shares issued following conversion of 1,176 units of CULS in June 2016

Year ended 31 July 2017

1,091,750 Ordinary shares purchased for treasury at a discount to NAV; 2,595 new Ordinary shares issued following conversion of 21,594 units of CULS in December 2016; 3,546 new Ordinary shares issued following conversion of 29,473 units of CULS in June 2017

Year ended 31 July 2018

2,137,138 Ordinary shares purchased for treasury at a discount to NAV; 323,835 new Ordinary shares issued following conversion of 2,687,937 units of CULS in December 2017

29 May 2018

£37 million nominal of 2.25% Convertible Unsecured Loan Stock 2025 issued at 100p per unit. 2019 CULS redeemed and/or converted into Ordinary shares.

Year ended 31 July 2019

1,302,650 Ordinary shares purchased for treasury at a discount to NAV; 2,348 new Ordinary shares issued following conversion of 34,482 units of CULS in December 2018; 1,379 new Ordinary shares issued following conversion of 20,286 units of CULS in June 2019.

Year ended 31 July 2020

1,484,256 Ordinary shares purchased for treasury at a discount to NAV; 16,302 new Ordinary shares issued following conversion of 238,951 units of CULS in December 2019; 814 new Ordinary shares issued following conversion of 12,050 units of CULS in June 2020.

Overview

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Corporate Information

Directors

Nigel Cayzer, Chairman
 Philip Yea, Audit Committee Chairman
 Charlotte Black
 Randal Dunluce (Viscount Dunluce)
 Martin Gilbert
 Deborah Guthrie
 Krishna Shanmuganathan

Alternate Director

Hugh Young (alternate for Martin Gilbert)

Alternative Investment Fund Manager

Aberdeen Standard Fund Managers Limited
 Bow Bells House
 1 Bread Street
 London EC4M 9HH

Investment Manager

Aberdeen Standard Investments (Asia) Limited
 21 Church Street
 #01-01 Capital Square Two
 Singapore 049480

Secretaries and Registered Office

Aberdeen Asset Management PLC
 Bow Bells House
 1 Bread Street
 London EC4M 9HH

Registration Number

03106339

Legal Entity Identifier (LEI):

5493000FBZP1J92OQY70

Website

asia-focus.co.uk

Depository

BNP Paribas Securities Services, London Branch
 10 Harewood Avenue
 London NW1 6AA

Stockbrokers

Panmure Gordon & Co
 1 New Change
 London EC4M 9AF

Independent Auditor up to 1 December 2020

Ernst & Young LLP
 Atria One
 144 Morrison Street
 Edinburgh EH3 8EX

Independent Auditor from 1 December 2020

PricewaterhouseCoopers LLP
 Atria One
 144 Morrison Street
 Edinburgh EH3 8EX

Bankers

The Royal Bank of Scotland International Limited,
 London Branch
 Level 3, 280 Bishopsgate,
 London, EC2M 4RB

Solicitors

Dentons UK and Middle East LLP
 Quatermile One
 15 Lauriston Place
 Edinburgh EH3 9EP

CULS Trustee

The Law Debenture Corporation p.l.c.
 Fifth Floor
 100 Wood Street
 London EC2V 7EX

Registrars

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

Tel: 0371 384 2416

Tel: +44 (0) 121 415 7047 (International)

Lines open 8:30am to 5:30pm (UK time), Monday to Friday,
 (excluding public holidays in England and Wales)

Foreign Account Tax Compliance Act ("FATCA")

IRS Registration Number ("GIIN"): 5ITCFT.99999.SL.826



