

abrdn Asian Income Fund Limited (the “Company”)
Legal Entity Identifier (LEI): 549300U76MLZF5F8MN87

16 January 2025

Enhanced Dividend Policy, Introduction of Continuation Vote and Declaration of Fourth Interim Dividend

The board of abrdn Asian Income Fund Limited (the “Board”) announces:

- An enhanced annual dividend policy of 6.25% of average net asset value (“NAV”), equating to a notional dividend yield of 7.1% based on share price (applies from the start of the 2025 financial year);
- Introduction of a continuation vote every three years; and
- A dividend for the fourth quarter of 2024 of 6.78 pence per Ordinary share, resulting in a full year dividend of 14.43 pence per share, an increase of 22.8% compared to the previous year.

Enhanced Dividend Policy

The Board has consistently prioritised delivering meaningful dividends to shareholders alongside capital growth in the Asian region. Recognising investors’ continued appetite for yield in the current interest rate environment, the Board has sought to further enhance shareholder returns and hence to make the Company’s shares even more attractive to a wider range of investors.

Accordingly, the Company’s dividend will be set at 1.5625% per quarter of the Company’s NAV, equating to approximately 6.25% of NAV per annum. The dividend will be calculated using the Company’s NAV on the last business day of the preceding financial quarter (i.e. the end of March, June, September and December).

Based on the Company’s NAV as at 31 December 2024 and closing share price of 222 pence on 15 January 2025, this enhanced dividend policy would equate to a notional annual dividend yield of 7.1% based on share price. This approach ensures a consistent and attractive income stream for shareholders while broadening the appeal of the Company’s shares and, over time, aiming to narrow the discount.

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

Importantly, there will be no change to the investment process nor to the Company’s strategy as a result of the new policy. The Investment Manager will continue to seek quality, cash-generative businesses with strong management teams, at sensible valuations, that have the potential to deliver reliable income and capital growth for our investors.

The enhanced dividend policy reflects the Board’s confidence in the long term robust opportunities in Asian markets, where dividend yields and growth have outpaced those of Europe and the US. With over 50% of total returns in Asian equities now driven by dividends, and with companies in the region demonstrating stronger balance sheets and increasing free cash flow coverage for dividends, the potential for rising payout ratios is compelling.

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

Continuation Vote

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

This initiative underscores the Board's commitment to transparency and to ensuring shareholders have a direct say in the Company's direction.

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

Declaration of Fourth Interim Dividend

The Directors of the Company have today also declared an increased fourth interim dividend for the year ending 31 December 2024 of 6.78 pence per Ordinary share (fourth interim for 2023: 4.25 pence). The dividend will be payable on 21 February 2025 to Ordinary shareholders on the register on 24 January 2025, with the ex-dividend date being 23 January 2025.

The total dividend for 2024 is therefore 14.43 pence, an increase of 22.8% compared to the previous year (2023: 11.75 pence). Additionally, the Board is pleased to note that this represents the sixteenth consecutive year of annual dividend increases.

Ian Cadby, Chairman of the Company comments:

"The Board is delighted to deliver another year of increased dividends for our shareholders, reflecting our commitment to providing a meaningful and sustainable income. The Asia Pacific region continues to emerge as one of the most dynamic sources of dividends globally, offering a compelling blend of growth and income potential. With our enhanced dividend policy, we are poised to capitalise on these robust opportunities while adapting to shareholders' needs in today's high-interest rate environment. The introduction of a continuation vote further underscores our dedication to transparency and shareholder empowerment. We are confident in the long-term resilience and growth of the asset class, and staying true to our disciplined investment strategy should ensure strong and consistent returns for our investors."

abrdn Investments Limited

Administrator

www.abrdn.com/en-gb/aaif

We get Asia because we're here.

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

Relationships to rely on.

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

Diversification, delivered.

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

For further information, please contact:

abrdn (Investment Manager):

Ben Heatley
Head of Closed End Fund Sales
07796 564562

Maria Allen
Client Director, Closed End Funds
07768 475219

Peel Hunt LLP (Corporate Broker):

Luke Simpson, Huw Jeremy (Investment Banking)
Alex Howe, Richard Harris (Sales)
020 7418 8900