

# Aberdeen Asian Income Fund Limited

A total return closed-end fund offering quarterly income  
from a concentrated portfolio of Asian equities and bonds



# Contents

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## Overview

Highlights and Financial Calendar	1
Interim Board Report - Chairman's Statement	2
Interim Board Report - Disclosures	5

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## Portfolio

Investment Portfolio	6
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## Financial Statements

Condensed Statement of Comprehensive Income	8
Condensed Balance Sheet	9
Condensed Statement of Changes in Equity	10
Condensed Cash Flow Statement	11
Notes to the Financial Statements	12
Independent Review Report to Aberdeen Asian Income Fund Limited	18

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## General Information

Alternative Performance Measures	19
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## Corporate Information

How to Invest in Aberdeen Asian Income Fund Limited	21
Corporate Information	23

### The Company

Aberdeen Asian Income Fund Limited (the "Company") is a Jersey-incorporated, closed-end investment company and its Ordinary shares of No Par Value ("Ordinary Shares") are listed on the London Stock Exchange. The Company is a member of the Association of Investment Companies.

### Investment Objective

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

### Comparative Indices

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

### Portfolio Management

The investment management of the Company has been delegated by Aberdeen Private Wealth Management Limited (the "Manager") to Aberdeen Asset Management Asia Limited ("AAM Asia" or the "Investment Manager"). Both companies are wholly owned subsidiaries of Standard Life Aberdeen plc, which was formed by the merger of Aberdeen Asset Management PLC and Standard Life plc on 14 August 2017. Aberdeen Standard Investments is a brand of the investment businesses of the merged entity.

### Website

Up-to-date information can be found on the Company's website [asian-income.co.uk](http://asian-income.co.uk).

### Alternative Investment Fund Managers Directive ("Directive")

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

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

In addition, in accordance with Article 23 of the Directive and Rule 3.2.2 of the Financial Conduct Authority ("FCA") Fund Sourcebook, APWM is required to make available certain disclosures for potential investors in the Company. These disclosures, in the form of a pre-investment disclosure document ("PIDD"), are available on the Company's website: [asian-income.co.uk](http://asian-income.co.uk)

# Highlights and Financial Calendar

	30 June 2018	31 December 2017	% change
Total assets <sup>A</sup> (£'000)	440,655	467,255	-5.7
Total equity shareholders' funds (£'000)	404,721	431,869	-6.3
Share price (mid-market)	199.00p	218.00p	-8.7
Net asset value per Ordinary share	223.40p	235.63p	-5.2
MSCI AC Asia Pacific ex Japan Index (currency adjusted, capital gains basis)	-3.0% <sup>B</sup>	21.9% <sup>C</sup>	
MSCI AC Asia Pacific ex Japan High Yield Index (currency adjusted, capital gains basis)	-3.3%	9.7% <sup>C</sup>	
Discount to net asset value per Ordinary share	-10.9%	-7.5%	
Interim dividends	4.50p <sup>D</sup>	4.50p <sup>E</sup>	
Net gearing <sup>F</sup>	7.5%	7.1%	
Ongoing charges <sup>G</sup>	1.10%	1.09%	

<sup>A</sup> Before deduction of bank loans of £35,934,000 (31 December 2017 – excluding bank loans of £35,386,000) and after deduction of other payables.

<sup>B</sup> Six months ended 30 June 2018.

<sup>C</sup> Year ended 31 December 2017.

<sup>D</sup> Includes second interim dividend of 2.25p to be paid on 17 August 2018.

<sup>E</sup> Interim dividends for the six months ended 30 June 2017.

<sup>F</sup> Net gearing is calculated by dividing Total Assets (as defined above) less cash or cash equivalents by shareholders' funds expressed as a percentage (the AIC basis).

<sup>G</sup> Considered to be an Alternative Performance Measure. Ongoing charges ratio calculated in accordance with guidance issued by the AIC as the total of the investment management fee and administrative expenses (annualised) divided by the average cum income net asset value throughout the year. The ratio for 30 June 2018 is based on forecast ongoing charges for the year ending 31 December 2018. For further information please refer to appendix "Alternative Performance Measures" on pages 19 and 20.

## Performance (total return<sup>A</sup>)

	Six months ended 30 June 2018	Six months ended 30 June 2017	Year ended 31 December 2017
Share price (Ordinary)	-6.8%	+11.5%	+17.4%
Net asset value	-3.3%	+10.6%	+16.0%
MSCI AC Asia Pacific ex Japan Index (currency adjusted)	-1.7%	+14.1%	+25.4%
MSCI AC Asia Pacific ex Japan High Dividend Yield Index (currency adjusted)	-1.7%	+9.5%	+15.4%

<sup>A</sup> Considered to be an Alternative Performance Measure. Total return represents the capital return plus dividends reinvested. For further information please refer to appendix "Alternative Performance Measures" on pages 19 and 20.

## Financial Calendar

16 August 2018	Announcement of unaudited half yearly results
17 August 2018	Payment of second interim dividend for year ending 31 December 2018
September 2018	Half Yearly Report posted to shareholders
November 2018	Payment of third interim dividend for year ending 31 December 2018
February 2019	Payment of fourth interim dividend for year ending 31 December 2018
March 2019	Announcement of Annual Financial Report for the year ending 31 December 2018
April 2019	Annual Report posted to shareholders
May 2019	Annual General Meeting in Jersey

# Interim Board Report - Chairman's Statement

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## Background

Over the six-month period ended 30 June 2018, the Company's net asset value (NAV) total return fell by 3.3% in sterling terms, behind the MSCI All Countries Asia Pacific ex Japan Index which fell 1.7% and the MSCI All Countries Asia Pacific ex Japan High Dividend Yield Index which also fell 1.7%. The share price at the end of the period was 199.0p which represented a discount of 10.9% to the NAV per share. During the period there were two dividend payments totalling 4.5p per share distributed to shareholders representing an annualised dividend yield of 4.5%.

After a strong performance in 2017 when global asset prices were distorted by sustained liquidity resulting from years of easy money, 2018 has seen a pullback in equities. Asian markets retreated on concerns over growing trade tensions, geopolitical frictions and tightening monetary policy in the US. Rising interest rates have the potential to affect the dividend-paying ability of corporates. However, the Company's focus on holdings with robust balance sheets and cash flow generation will help ensure that your portfolio continues to deliver sustainable income even in turbulent market conditions.

## Overview

After a bright start to the year, market sentiment quickly gave way to fears of faster interest-rate hikes, higher oil prices, and an escalation in trade tensions. After simmering for months, the trade dispute between the US and China boiled over with the world's two largest economies playing their opening hands and imposing the first round of tariffs. For now, the direct impact on Asian companies remains contained given their small exposure to revenues directly sourced from the US. Nevertheless, your Manager continues to monitor the situation and the potential impact the trade war could have on investment sentiment and share prices.

Meanwhile, monetary policy diverged across Asia after a hawkish US Federal Reserve raised interest rates, which pushed the US dollar and government bond yields higher. The resulting currency fluctuations in Asia prompted Hong Kong and Indonesia to follow in the Fed's footsteps to try and stem outflows. At the same time, regional central banks had to contend with inflationary pressures fuelled by rising oil prices. Elsewhere, Australia maintained the same rates it has had for close to two years, while the People's Bank of China injected more renminbi into the financial system to bolster sentiment.

## Performance Review

Your Company's NAV total return fell by 3.3% in sterling terms over the interim period against the comparable

indices which each slipped 1.7%. The weakest markets in the MSCI All Countries Asia Pacific ex Japan Index were Indonesia and the Philippines, which recorded double-digit declines on the back of currency depreciation amid rising oil prices. Your portfolio benefited from not holding any companies in these two countries. From the sector perspective, healthcare turned in the best performance in the MSCI All Countries Asia Pacific ex Japan Index, in large part due to the biotechnology area which was the only sector to report double-digit gains over the period. The companies within this sub-sector face heavy investment pipelines to support research and technology and are often not making profits, let alone paying dividends. Your Company does not hold any biotechnology stocks given the lack of dividend yield available, which has weighed on share price performance.

Another industry which is known for its lack of dividends is Chinese internet. These companies continue to deliver robust results but this dominance comes at a price and they face large capital investments into new technologies and platforms which restricts their ability to return capital to shareholders. The best performing software companies were Alibaba and Baidu, both of which have zero dividend yield and are therefore not held in this income generating Company.

Elsewhere in the hardware sub-sector, your Manager had been taking profits by trimming your Company's holding in Singapore-listed Venture Corporation following its strong performance in 2017 when its share price doubled. Venture remained the top single stock performer in the portfolio until April, when an anonymous report questioned its exposure to Philip Morris' smoke-free cigarette product IQOS and warned about weaker revenues, just days before Venture published quarterly results. Its shares corrected as a result of the negative report, but your Manager met with the management after the earnings release and was able to gain a good degree of confidence that the business remained on track, investing in new capabilities and building sticky relationships with customers. Its earnings also confirmed continued profit margin expansion, reflecting its investments into research and the higher value its engineers bring to the table. Your Manager believes this correction is overdone, and has been topping up your Company's holding towards the end of the period.

Rising commodity prices benefited the Australian diversified miners held in the portfolio as Rio Tinto, BHP Billiton and South32 are well-positioned with strong balance sheets that are supportive of growing dividends. However, the Australian banks were weighed down by the overhang of the Royal Commission's regulatory review and the impact this could have on future compliance costs. All

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your Company's holdings have robust capital positions in excess of regulatory requirements, and dividend yields are attractive. ANZ, in particular, enjoyed a rebound in June after it announced it would double the scale of a share buyback programme, using proceeds from the sale of its life insurance business.

Your Manager's focus on the growing consumer demand story in the emerging Asian markets, where GDP growth remained at high levels, reaped rewards during this uncertain period. Heineken Malaysia benefited from improved sentiment following the newly elected government's pledge to scrap the goods and services tax and stimulate consumption. Meanwhile, in China, SAIC Motor Corp reported positive sales growth and an improving product mix toward higher value brands which has raised its profitability. SAIC continues to sign deals with global luxury car brands such as Audi, boosting its domestic manufacturing and distribution portfolio. While operating in very different markets, both Heineken Malaysia and SAIC Motor provide attractive dividend yields that are above those of the comparable indices.

### Portfolio Activity

Turning to portfolio activity, your Manager has made a number of refinements to its investment process that enables it to be more nimble in identifying stocks that are suitable for inclusion in the portfolio or which no longer qualify. Your Manager has used the indecisive markets over the period to buy stocks which are trading at attractive valuations whilst offering a sustainable or growing dividend income. In order to make way for these new holdings, your Manager exited cement companies Lafarge Malaysia and Indocement, a Heidelberg subsidiary in Indonesia, on concerns that their balance sheets were becoming increasingly stressed at a time when domestic demand remained sluggish, placing their ability to pay future dividends at risk. Your Manager also exited Electricity Generating Company of Thailand as it had one of the lowest yields in the portfolio, as well as Hong Kong's fabric and dye trader Texwinca as it reduced dividends in the face of a more challenging trading environment.

The new investments cover a broad spectrum of geographies and businesses but they are all pleasing additions to the portfolio's income account. China Resources Land offers exposure to both investment properties and residential developments in China. Its portfolio of shopping centres benefits from the growing consumption aspirations of China's middle class and generates a stable revenue stream that helps fund future investments and dividends. Nearby in Korea, your Manager introduced LG Chem, whose robust specialty chemicals business serves as a solid base to grow its leading position in the electric vehicle (EV) battery market.

LG Chem has already established a broad customer base in EV batteries and is reporting a growing backlog of orders from global car manufacturers. Your Manager has invested in the preference shares which offer a more attractive dividend yield, and trade at a discount to the ordinary shares. While the current yield is 3%, the absolute dividend per share is growing by a double-digit percentage each year, supported by free cash flow from the business and the potential growth in EV batteries.

Another recent addition to the portfolio was Australian miner BHP Billiton. This investment complements other holdings within this sector as BHP has top tier assets, scale efficiency and a management that is focused on shareholder returns. Dividend yield is attractive at above 5%. Your Manager also initiated Hong Kong-listed Ping An Insurance, a financial conglomerate which operates one of the leading life insurance franchises in China. The dividend yield is just shy of 3% but absolute dividends per share have grown in excess of 20% per year. Ping An is looking to list its online finance platforms on the equity markets which will raise additional capital and further underline its ability to support future dividend growth for shareholders.

### Dividend

On 11 July 2018, your Board declared a second quarterly interim dividend of 2.25p per Ordinary share in respect of the year ending 31 December 2017, which will be paid on 17 August 2018 to shareholders on the register on 20 July 2018. The first two quarterly dividends, covering the six months to 30 June 2018 therefore total 4.5p (2017 – 4.5p). As indicated at the time of the earlier announcements, the Board has rebalanced the four interim dividends and, in the absence of unforeseen circumstances, it is the Board's intention to declare four interim dividends of 2.25p per Ordinary share totalling 9.0p (2017: 9.0p) in respect of the year to 31 December 2018.

### Gearing and Share Repurchases

On 5 March 2018 the Company renewed its three year £10 million term facility with Scotiabank Europe PLC (the "New Facility"). The New Facility, which is due to expire on 2 March 2021, is in addition to the existing £40,000,000 multicurrency revolving facility with Scotiabank (Ireland) Limited, which is due to mature in April 2020. The Company's total gearing at the period end amounted to the equivalent of £35.9 million or net gearing of 8.9% with £10m, HKD 213m and USD 7.2m drawn under the Company's facilities with Scotiabank.

Over the first half of the year, the Ordinary shares have continued to trade at a discount to the NAV and the Company has been active in the market when the discount (excluding income) has exceeded 5% with a view to minimising volatility due to a widening discount. During

# Interim Board Report - Chairman's Statement continued

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the period under review, your Company bought in 2,116,151 shares for treasury resulting in a positive contribution to the NAV total return of 0.1%. Subsequent to the period end a further 512,921 Ordinary shares have been acquired for treasury.

## Directorate

As part of the Board's on-going succession planning, Peter Arthur retired from the Board at the Annual General Meeting ("AGM") held in May 2018 and I would like to reiterate the Board's sincere appreciation to him for his service and significant contribution to the Company since its launch in November 2005. I am pleased to report that Nicky McCabe has been appointed as an independent non executive Director with effect from 16 May 2018. Nicky was formerly head of product and investment trusts at Fidelity International with experience across the full spectrum of asset management in back office operations, the investment team, proprietary investment, distribution and product management.

## Outlook

Asian markets are expected to remain volatile given political posturing, inflation and protectionism that are clouding the horizon. Against this backdrop, China's economy remains largely robust. Improving consumer sentiment in the second-largest economy in the world, as well as across the Asia region, provides some buffer for earnings growth, and therefore dividend payouts, against trade-related disruptions.

Tightening monetary policy in the US has compelled Asian central banks to respond to external pressures on local currencies and rising oil prices. Meanwhile, governments are taking the opportunity to engage in reforms that will strengthen their economies in the longer term, which should help calm volatility and make the region more tempting for foreign investors.

Following a tepid start to the year, valuations across Asia are below historic averages and at a discount to global markets, presenting attractive investment opportunities. Your Manager remains diligent about researching companies and focusing on balance sheets and cash flows which can support sustainable and growing dividends even if market valuations are unduly distorted by fund flows and momentum investing irrespective of quality. We expect in the fullness of time mean reversion will return and business fundamentals will establish themselves

I look forward to reporting to you again with the Annual Report for the year to 31 December 2018, which will be issued in April 2019. In the meantime, shareholders can find regular updates from your Manager, and copies of all Stock Exchange announcements on your Company's website [asian-income.co.uk](http://asian-income.co.uk). Also on the website there are NAV and share price feeds which are updated on a daily basis.

**Charles Clarke**  
Chairman  
16 August 2018

# Interim Board Report - Disclosures

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## Principal Risk Factors

The principal risks and uncertainties affecting the Company are set out in detail on page 10 of the Annual Report and Financial Statements for the year ended 31 December 2017 and have not changed.

The risks outlined below are those risks that the Directors considered at the date of this Half Yearly Report to be material but are not the only risks relating to the Company or its shares. If any of the adverse events described below actually occur, the Company's financial condition, performance and prospects and the price of its shares could be materially adversely affected and shareholders may lose all or part of their investment. Additional risks which were not known to the Directors at the date of this Half Yearly Report, or that the Directors considered at the date of this Report to be immaterial, may also have an effect on the Company's financial condition, performance and prospects and the price of the shares.

If shareholders are in any doubt as to the consequences of their acquiring, holding or disposing of shares in the Company or whether an investment in the Company is suitable for them, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Securities and Markets Act 2000 (*as amended by the Financial Services Act 2012*) or, in the case of prospective investors outside the United Kingdom, another appropriately authorised independent financial adviser.

The risks can be summarised under the following headings:

- Investment strategy and objectives;
- Investment portfolio, investment management;
- Financial obligations;
- Financial and regulatory;
- Operational; and,
- Income and dividend risk.

An explanation of other risks relating to the Company's investment activities, specifically market price, liquidity and credit risk, and a note of how these risks are managed, are contained in note 17 on pages 62 to 69 of the Annual Report for the year ended 31 December 2017.

## Going Concern

In accordance with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued in September 2014, the Directors have undertaken a rigorous review and consider both that there are no material uncertainties and that the adoption of the going

concern basis of accounting is appropriate. The Company's assets consist primarily of a diverse portfolio of listed securities which, in most circumstances, are realisable within a very short timescale. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Half Yearly Report.

## Directors' Responsibility Statement

The Directors are responsible for preparing this Half Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of interim financial statements contained within the Half Yearly Financial Report which have been prepared in accordance with IAS 34 "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Half-Yearly Board Report includes a fair review of the information required by rule 4.2.7R of the Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the Half-Yearly Board Report includes a fair review of the information required by 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so).

For and on behalf of the Board of Aberdeen Asian Income Fund Limited

**Charles Clarke**  
Chairman  
16 August 2018

# Investment Portfolio

As at 30 June 2018

Company	Country of activity	Valuation £'000	Total assets %
Taiwan Semiconductor Manufacturing	Taiwan	19,359	4.4
Samsung Electronics	South Korea	18,577	4.2
Venture Corporation	Singapore	17,643	4.0
HSBC Holdings	Hong Kong	16,693	3.8
Oversea-Chinese Banking Corporation	Singapore	14,447	3.3
Heineken Malaysia	Malaysia	14,215	3.2
Tesco Lotus Retail Growth	Thailand	12,099	2.7
Taiwan Mobile	Taiwan	11,940	2.7
SAIC Motor 'A'	China	11,276	2.6
DBS Group	Singapore	10,827	2.5
Top ten investments		<b>147,076</b>	<b>33.4</b>
Spark New Zealand	New Zealand	10,729	2.4
Singapore Telecommunications	Singapore	10,523	2.4
Viva Energy REIT	Australia	10,071	2.3
China Mobile	China	10,019	2.3
Jardine Cycle & Carriage	Singapore	9,837	2.2
Ausnet Services	Australia	9,485	2.2
Westpac Banking Corporation	Australia	9,348	2.1
Australia & New Zealand Bank Group	Australia	9,210	2.1
Swire Pacific (Class A and Class B shares)	Hong Kong	9,067	2.0
Rio Tinto <sup>C</sup>	Australia	8,822	2.0
Top twenty investments		<b>244,187</b>	<b>55.4</b>
Hana Microelectronics	Thailand	8,166	1.9
CDL Hospitality Trust	Singapore	7,981	1.8
Yum China Holdings	China	7,867	1.8
Giordano International	Hong Kong	7,448	1.7
Shopping Centres Australasia	Australia	7,378	1.7
Commonwealth Bank of Australia	Australia	7,032	1.6
Hang Lung Properties	Hong Kong	6,819	1.5
Amada Holdings	Japan	6,664	1.5
United Overseas Bank	Singapore	6,604	1.5
Keppel REIT	Singapore	6,482	1.5
Top thirty investments		<b>316,628</b>	<b>71.9</b>
Okinawa Cellular Telephone	Japan	6,264	1.4
Singapore Technologies Engineering	Singapore	6,218	1.4
South32 <sup>C</sup>	Australia	6,212	1.4
Scentre Group	Australia	6,055	1.4
LG Chemical	South Korea	5,874	1.3
Siam Cement <sup>B</sup>	Thailand	5,735	1.3
China Resources Land	China	5,628	1.3
SP Setia	Malaysia	5,573	1.3
Standard Chartered	United Kingdom	5,491	1.2
Far East Hospitality Trust	Singapore	5,398	1.2
Top forty investments		<b>375,076</b>	<b>85.1</b>

Company	Country of activity	Valuation £'000	Total assets %
Japan Tobacco	Japan	5,381	1.2
ASX	Australia	5,240	1.2
Comfortdelgro Corporation	Singapore	4,954	1.1
G3 Exploration <sup>A</sup>	China	4,534	1.0
Hong Leong Finance	Singapore	4,502	1.0
BHP Billiton	United Kingdom	4,436	1.0
AEON Credit Service	Malaysia	4,386	1.0
ICICI Bank <sup>A</sup>	India	3,975	0.9
Kingmaker Footwear	Hong Kong	3,785	0.9
DFCC Bank <sup>A</sup>	Sri Lanka	3,766	0.9
Top fifty investments		<b>420,035</b>	<b>95.3</b>
British American Tobacco Malaysia	Malaysia	3,321	0.8
Convenience Retail	Hong Kong	3,030	0.7
Unibail	Australia	2,555	0.6
NZX	New Zealand	2,347	0.5
Ping An Insurance	China	2,170	0.4
AEON Credit Service <sup>A</sup>	Malaysia	927	0.2
City Developments	Singapore	284	0.1
<b>Total investments</b>		<b>434,669</b>	<b>98.6</b>
<b>Other net current assets<sup>D</sup></b>		<b>5,986</b>	<b>1.4</b>
<b>Total assets</b>		<b>440,655</b>	<b>100.0</b>

<sup>A</sup> Corporate bonds.

<sup>B</sup> Holding includes investment in common and non-voting depository receipt lines.

<sup>C</sup> Incorporated in and listing held in United Kingdom.

<sup>D</sup> Excludes bank loans of £25,937,000.

# Condensed Statement of Comprehensive Income

	Six months ended 30 June 2018 (unaudited)			Six months ended 30 June 2017 (unaudited)			Year ended 31 December 2017 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Investment income</b>									
Dividend income	10,582	-	10,582	10,599	-	10,599	20,351	-	20,351
Interest income on investments held at fair value through profit or loss	642	-	642	873	-	873	1,407	-	1,407
<b>Total revenue</b>	11,224	-	11,224	11,472	-	11,472	21,758	-	21,758
(Losses)/gains on investments held at fair value through profit or loss	-	(21,586)	(21,586)	-	31,371	31,371	-	43,697	43,697
Net currency (losses)/gains	-	(677)	(677)	-	1,397	1,397	-	2,355	2,355
	11,224	(22,263)	(11,039)	11,472	32,768	44,240	21,758	46,052	67,810
<b>Expenses</b>									
Investment management fee (note 10)	(720)	(1,080)	(1,800)	(692)	(1,039)	(1,731)	(1,411)	(2,117)	(3,528)
Other operating expenses (note 5)	(518)	-	(518)	(541)	-	(541)	(1,069)	-	(1,069)
<b>Total operating expenses</b>	(1,238)	(1,080)	(2,318)	(1,233)	(1,039)	(2,272)	(2,480)	(2,117)	(4,597)
<b>Profit/(loss) before finance costs and taxation</b>	9,986	(23,343)	(13,357)	10,239	31,729	41,968	19,278	43,935	63,213
Finance costs	(158)	(235)	(393)	(142)	(212)	(354)	(284)	(426)	(710)
<b>Profit/(loss) before tax</b>	9,828	(23,578)	(13,750)	10,097	31,517	41,614	18,994	43,509	62,503
Tax expense	(694)	(10)	(704)	(670)	-	(670)	(1,303)	-	(1,303)
<b>Profit/(loss) for the period</b>	9,134	(23,588)	(14,454)	9,427	31,517	40,944	17,691	43,509	61,200
<b>Earnings per Ordinary share (pence) (note 3)</b>	5.01	(12.94)	(7.93)	5.08	16.97	22.05	9.58	23.56	33.14

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

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

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

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

# Condensed Balance Sheet

	Notes	As at 30 June 2018 (unaudited) £'000	As at 30 June 2017 (unaudited) £'000	As at 31 December 2017 (audited) £'000
<b>Non-current assets</b>				
Investments held at fair value through profit or loss		434,669	449,432	461,632
<b>Current assets</b>				
Cash and cash equivalents		5,621	7,986	4,872
Other receivables		2,824	1,759	1,342
		8,445	9,745	6,214
<b>Creditors: amounts falling due within one year</b>				
Bank loans	8	(25,937)	(36,467)	(35,386)
Other payables		(2,459)	(846)	(591)
		(28,396)	(37,313)	(35,977)
<b>Net current liabilities</b>		(19,951)	(27,568)	(29,763)
<b>Creditors: amounts falling due after more than one year</b>				
Bank loan	8	(9,997)	-	-
<b>Net assets</b>		<b>404,721</b>	<b>421,864</b>	<b>431,869</b>
<b>Stated capital and reserves</b>				
Stated capital	9	194,933	194,933	194,933
Capital redemption reserve		1,560	1,560	1,560
Capital reserve		192,715	210,765	220,779
Revenue reserve		15,513	14,606	14,597
<b>Equity shareholders' funds</b>		<b>404,721</b>	<b>421,864</b>	<b>431,869</b>
<b>Net asset value per Ordinary share (pence)</b>	4	<b>223.40</b>	<b>229.02</b>	<b>235.63</b>

The financial statements on pages 8 to 17 were approved by the Board of Directors and authorised for issue on 16 August 2018 and were signed on its behalf by:

**Charles Clarke**  
Chairman

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

# Condensed Statement of Changes in Equity

## Six months ended 30 June 2018 (unaudited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Retained earnings £'000	Total £'000
Opening balance	194,933	1,560	220,779	14,597	-	431,869
Buyback of Ordinary shares for holding in treasury	-	-	(4,476)	-	-	(4,476)
Loss for the period	-	-	-	-	(14,454)	(14,454)
Transferred to retained earnings from capital reserve <sup>A</sup>	-	-	(23,588)	-	23,588	-
Transferred from retained earnings to revenue reserve	-	-	-	9,134	(9,134)	-
Dividends paid (note 6)	-	-	-	(8,218)	-	(8,218)
<b>Balance at 30 June 2018</b>	<b>194,933</b>	<b>1,560</b>	<b>192,715</b>	<b>15,513</b>	<b>-</b>	<b>404,721</b>

## Six months ended 30 June 2017 (unaudited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Retained earnings £'000	Total £'000
Opening balance	194,933	1,560	185,050	14,485	-	396,028
Buyback of Ordinary shares for holding in treasury	-	-	(5,802)	-	-	(5,802)
Profit for the period	-	-	-	-	40,944	40,944
Transferred to retained earnings from capital reserve <sup>A</sup>	-	-	31,517	-	(31,517)	-
Transferred from retained earnings to revenue reserve	-	-	-	9,427	(9,427)	-
Dividends paid (note 6)	-	-	-	(9,306)	-	(9,306)
<b>Balance at 30 June 2017</b>	<b>194,933</b>	<b>1,560</b>	<b>210,765</b>	<b>14,606</b>	<b>-</b>	<b>421,864</b>

## Year ended 31 December 2017 (audited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Retained earnings £'000	Total £'000
Opening balance	194,933	1,560	185,050	14,485	-	396,028
Buyback of Ordinary shares for holding in treasury	-	-	(7,780)	-	-	(7,780)
Profit for the year	-	-	-	-	61,200	61,200
Transferred from retained earnings to capital reserve <sup>A</sup>	-	-	43,509	-	(43,509)	-
Transferred from retained earnings to revenue reserve	-	-	-	17,691	(17,691)	-
Dividends paid (note 6)	-	-	-	(17,579)	-	(17,579)
<b>Balance at 31 December 2017</b>	<b>194,933</b>	<b>1,560</b>	<b>220,779</b>	<b>14,597</b>	<b>-</b>	<b>431,869</b>

<sup>A</sup> Represents the capital (loss)/profit attributable to equity shareholders per the Condensed Statement of Comprehensive Income.

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

The stated capital in accordance with Companies (Jersey) Law 1991 Article 39A is £260,822,000 (30 June 2017 – £260,822,000; 31 December 2017 – £260,822,000). These amounts include proceeds arising from the issue of shares by the Company, but excludes the cost of shares purchased for cancellation or treasury by the Company.

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

# Condensed Cash Flow Statement

	Six months ended 30 June 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
<b>Cash flows from operating activities</b>			
Dividend income received	9,207	9,081	18,976
Interest income received	353	958	1,284
Investment management fee paid	(1,806)	(2,544)	(4,334)
Other cash expenses	(473)	(631)	(1,152)
<b>Cash generated from operations</b>	<b>7,281</b>	<b>6,864</b>	<b>14,774</b>
Interest paid	(333)	(371)	(716)
Overseas taxation paid	(694)	(670)	(1,303)
<b>Net cash inflows from operating activities</b>	<b>6,254</b>	<b>5,823</b>	<b>12,755</b>
<b>Cash flows from investing activities</b>			
Purchases of investments	(36,999)	(25,426)	(59,371)
Sales of investments	44,314	37,500	71,930
<b>Net cash inflow from investing activities</b>	<b>7,315</b>	<b>12,074</b>	<b>12,559</b>
<b>Cash flows from financing activities</b>			
Purchase of own shares for treasury	(4,476)	(5,809)	(7,945)
Dividends paid	(8,218)	(9,306)	(17,579)
<b>Net cash outflow from financing activities</b>	<b>(12,694)</b>	<b>(15,115)</b>	<b>(25,524)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>875</b>	<b>2,782</b>	<b>(210)</b>
Cash and cash equivalents at the start of the period	4,872	5,314	5,314
Foreign exchange	(126)	(110)	(232)
<b>Cash and cash equivalents at the end of the period</b>	<b>5,621</b>	<b>7,986</b>	<b>4,872</b>

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

# Notes to the Financial Statements

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## 1. Accounting policies – basis of preparation

The Annual Report is prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC). The condensed Half Yearly Report has been prepared in accordance with International Accounting Standards (IAS) 34 – ‘Interim Financial Reporting’.

The financial statements have been prepared on a going concern basis. In accordance with the Financial Reporting Council's guidance on ‘Going Concern and Liquidity Risk’ the Directors have undertaken a review of the Company's assets and liabilities. The Company's assets primarily consist of a diverse portfolio of listed equity shares which, in most circumstances, are realisable within a very short timescale.

During the period the following amendments to standards and new interpretations assessed to be relevant became effective:

- IAS 1 Presentation of Financial Statements – a consequential amendment arising from IFRS 9 under which interest income calculated using the effective interest method is required to be presented separately on the face of the income statement. Accordingly, the Company has renamed “Interest income” as “Interest income on investments held at fair value through profit or loss” within the Condensed Statement of Comprehensive Income.
- IFRS 9 Financial Instruments – replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting. The Company has applied IFRS 9 retrospectively. The Company does not adopt hedge accounting. The changes to classification and measurement together with impairment are as follows:

### Classification and measurement

Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. Instruments are classified either at amortised cost, the fair value through other comprehensive income or fair value through profit or loss. The Company's portfolio includes equity investments which continue to be held at fair value through profit or loss. The Company's portfolio also includes a relatively small exposure to corporate bonds, which have contractual cash flows. The Company's investment objective is to provide investors with a total return. To achieve this investment objective, the Investment Manager manages and evaluates the performance of the Company on a fair value basis rather than based on contractual cash flows collected. Accordingly the corporate bonds also continue to be classified as fair value through the profit or loss.

### Impairment

IFRS 9 requires the Company to measure and recognise impairment based on Expected Credit Losses (ECLs) replacing IAS 39's incurred loss model.

For other receivables, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. No impairment allowance has been accounted for as a result of the adoption of IFRS 9.

- IFRIC 22 Foreign Currency Transactions and Advance Consideration – clarifies the accounting treatment for transactions that include the receipt or payment of advance consideration in a foreign currency.

The adoption of the above amendments to standards and new interpretations did not have a significant impact on this condensed set of interim financial statements.

## 2. Segmental information

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

	Six months ended 30 June 2018 (unaudited) p	Six months ended 30 June 2017 (unaudited) p	Year ended 31 December 2017 (audited) p
<b>3. Earnings per Ordinary share</b>			
Revenue return	5.01	5.08	9.58
Capital return	(12.94)	16.97	23.56
<b>Total return</b>	<b>(7.93)</b>	<b>22.05</b>	<b>33.14</b>

The figures above are based on the following:

	Six months ended 30 June 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
Revenue return	9,134	9,427	17,691
Capital return	(23,588)	31,517	43,509
<b>Total return</b>	<b>(14,454)</b>	<b>40,944</b>	<b>61,200</b>
<b>Weighted average number of Ordinary shares in issue</b>	<b>182,341,451</b>	<b>185,721,295</b>	<b>184,685,211</b>

## 4. Net asset value per share

### Ordinary shares

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

	As at 30 June 2018 (unaudited)	As at 30 June 2017 (unaudited)	As at 31 December 2017 (audited)
Attributable net assets (£'000)	404,721	421,864	431,869
Number of Ordinary shares in issue (excluding shares in issue held in treasury)	181,166,070	184,200,389	183,282,221
<b>Net asset value per Ordinary share (p)</b>	<b>223.40</b>	<b>229.02</b>	<b>235.63</b>

## Notes to the Financial Statements continued

	Six months ended 30 June 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
<b>5. Other operating expenses (revenue)</b>			
Directors' fees	79	85	171
Secretarial and administration fees	67	67	134
Promotional activities	114	125	250
Auditor's remuneration:			
• statutory audit	17	17	33
• interim accounts review	7	6	6
• tax services	(6)	3	5
Custodian charges	79	89	163
Other	161	149	307
	<b>518</b>	<b>541</b>	<b>1,069</b>

	Six months ended 30 June 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
<b>6. Dividends on equity shares</b>			
Amounts recognised as distributions to equity holders in the period:			
Second interim dividend for 2017 – 2.25p	–	–	4,139
Third interim dividend for 2017 – 2.25p	–	–	4,134
Fourth interim dividend for 2017 – 2.25p (2016 – 2.75p)	4,119	5,136	5,136
First interim dividend for 2018 – 2.25p (2017 – 2.25p)	4,099	4,170	4,170
	<b>8,218</b>	<b>9,306</b>	<b>17,579</b>

A second interim dividend of 2.25p for the year to 31 December 2018 will be paid on 17 August 2018 to shareholders on the register on 20 July 2018. The ex-dividend date was 19 July 2018.

### 7. Transaction costs

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

	Six months ended 30 June 2018 (unaudited) £'000	Six months ended 30 June 2017 (unaudited) £'000	Year ended 31 December 2017 (audited) £'000
Purchases	55	35	71
Sales	39	37	72
	<b>94</b>	<b>72</b>	<b>143</b>

## 8. Bank loans

In April 2017, the Company entered into a new unsecured three year £40 million multi-currency facility agreement with Scotiabank (Ireland) Limited which replaced a £30 million secured facility. At the period end approximately USD 7.2 million and HKD 213 million, equivalent to £25.9 million was drawn down from the £40 million facility. The interest rates attributed to the USD and HKD loans at the period end were 3.036% and 2.398% respectively.

In March 2018, the Company entered into a new fixed three year £10 million credit facility with Scotiabank Europe PLC at an all-in interest rate of 2.179% which will mature on 2 March 2021.

The loan is shown on the balance sheet net of expenses which are being amortised over the life of the liability.

At the period end, bank loans totalled £35,934,000 (30 June 2017 – £36,467,000; 31 December 2017 – £35,386,000).

9. Stated capital	30 June 2018		30 June 2017		31 December 2017	
	Number	£'000	Number	£'000	Number	£'000
Ordinary shares of no par value						
Authorised	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Issued and fully paid	194,933,389	194,933	194,933,389	194,933	194,933,389	194,933

No Ordinary shares were issued or bought back for cancellation during the period (six months ended 30 June 2017 and year ended 31 December 2017 – same).

During the period 2,116,000 Ordinary shares were bought back by the Company for holding in treasury at a cost of £4,476,000 (30 June 2017 – 2,768,000 shares were bought back at a cost of £5,802,000; 31 December 2017 – 3,686,000 shares were bought back for holding in treasury at a cost of £7,780,000). As at 30 June 2018 13,767,000 (30 June 2017 – 10,733,000; 31 December 2017 – 11,651,000) Ordinary shares were held in treasury.

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

## 10. Related party disclosures and transactions with the Manager

### Transactions with the Manager

Mr Young is a director of Aberdeen Asset Management Asia Limited ("AAM Asia") which is a subsidiary of Standard Life Aberdeen plc ("SLA"). Aberdeen Private Wealth Management Limited ('APWM') is also a subsidiary of SLA and it has an agreement to provide management services to the Company, which it has sub-delegated to AAM Asia. APWM has an agreement to provide company secretarial and administration and promotional activity services to the Company. As of 31 March 2018 Mr Young no longer receives director's fees for services provided to the Company.

The management fee is payable quarterly in arrears, based on an annual amount of 0.85% of the net asset value of the Company valued monthly and on the average of the previous five monthly valuation points. During the period £1,800,000 (30 June 2017 – £1,731,000; 31 December 2017 – £3,528,000) of management fees were paid and payable, with a balance of £296,000 (one month's fee) (30 June 2017 – £295,000 (one month's fee); 31 December 2017 – £302,000 (one month's fee)) being payable to AAM Asia at the period end.

The annual company secretarial and administration fee is £134,000 (30 June 2017 – £134,000; 31 December 2017 – £134,000), payable quarterly in arrears. During the period £67,000 (30 June 2017 – £67,000; 31 December 2017 – £134,000) of fees were paid and payable, with a balance of £33,000 (30 June 2017 – £33,000; 31 December 2017 – £34,000) being payable to APWM at the period end.

## Notes to the Financial Statements continued

The promotional activities fee is based on a current annual amount of £206,000 with effect from 1 April, 2018; prior to this point the annual amount was £250,000 (30 June 2017 – £250,000; 31 December 2017 – £250,000), payable quarterly in arrears. During the period £114,000 (30 June 2017 – £125,000; 31 December 2017 – £250,000) of fees were payable, with a balance of £114,000 (30 June 2017 – £63,000; 31 December 2017 – £63,000) being payable to APWML at the period end.

### 11. Fair value hierarchy

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

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

At 30 June 2018 (unaudited)	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	421,467	-	-	421,467
Quoted bonds	b)	-	13,202	-	13,202
<b>Total assets</b>		<b>421,467</b>	<b>13,202</b>	<b>-</b>	<b>434,669</b>

At 30 June 2017 (unaudited)	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	436,146	-	-	436,146
Quoted bonds	b)	-	13,286	-	13,286
<b>Total assets</b>		<b>436,146</b>	<b>13,286</b>	<b>-</b>	<b>449,432</b>

At 31 December 2017 (audited)	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	448,264	-	-	448,264
Quoted bonds	b)	-	13,368	-	13,368
<b>Total assets</b>		<b>448,264</b>	<b>13,368</b>	<b>-</b>	<b>461,632</b>

#### a) Quoted equities

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

#### b) Quoted bonds

The fair value of the Company's investments in quoted bonds has been determined by reference to their quoted bid prices at the reporting date. Investments in quoted bonds are not considered to trade in active markets and accordingly the Company's holding in quoted bonds as at 30 June 2016 has been reclassified from Level 1 to Level 2.

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**Fair values of financial liabilities**

The fair value of borrowings as at 30 June 2018 has been estimated at £35,934,000 (30 June 2017 – £36,467,000; 31 December 2017 – £35,386,000). Carrying values are a reasonable approximation to fair values. The fair value of the long-term loan is determined by aggregating the expected future cash flows for that loan discounted at a rate comprising the borrower's margin plus an average of market rates applicable to loans of a similar period of time and currency. The fair value of bank loans repayable within one year is considered to approximate to carrying value due to their short-term nature. Under the fair value hierarchy in accordance with IFRS 13, these borrowings are classified as Level 2.

**12. Events after the reporting period**

A further 512,921 Ordinary shares have been bought back by the Company for holding in treasury, subsequent to the reporting period end, at a cost of £1,043,000. Following the share buybacks there were 180,653,149 Ordinary shares in issue excluding those held in treasury.

**13. Half Yearly Financial Report**

The financial information for the six months ended 30 June 2018 and 30 June 2017 has not been audited.

**14. Approval**

This Half Yearly Financial Report was approved by the Board on 16 August 2018.

# Independent Review Report to Aberdeen Asian Income Fund Limited

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## Introduction

We have been engaged by Aberdeen Asian Income Fund Limited ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 which comprises the Condensed Statement of Comprehensive Income, the Condensed Balance Sheet, the Condensed Statement of Changes in Equity, the Condensed Cash Flow Statement and the related explanatory notes 1 to 14. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

## Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS). The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

## Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2018 is not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

## Ernst & Young LLP

Jersey, Channel Islands  
16 August 2018

*The maintenance and integrity of the Aberdeen Asian Income Fund Limited website is the responsibility of the Directors; the work carried out by the Auditor does not include consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the financial information since it was initially presented on the website.*

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

# Alternative Performance Measures

## Alternative Performance Measures

The Company considers the following to be Alternative Performance Measures:

### Total return

NAV total return involves investing the same net dividend in the NAV of the Company on the date on which that dividend was earned.

Whilst share price is not a financial measure of the Company's performance, total return to Shareholders involves reinvesting the net dividend in the month that the share price goes ex-dividend.

The following data has been used in calculating the total returns on net asset value and share price for the six months ended 30 June 2018:

	Dividend rate	NAV	Share price
31 December 2017	N/A	235.63p	218.00p
18 January 2018	2.25p	235.81p	220.00p
26 April 2018	2.25p	221.94p	205.00p
30 June 2018	N/A	223.40p	199.00p
<b>Total return</b>		<b>-3.3%</b>	<b>-6.8%</b>

The following data has been used in calculating the total returns on net asset value and share price for the six months ended 30 June 2017:

	Dividend rate	NAV	Share price
31 December 2016	N/A	211.82p	194.25p
19 January 2017	2.75p	216.85p	204.00p
27 April 2017	2.25p	222.29p	208.25p
30 June 2017	N/A	229.02p	211.50p
<b>Total return</b>		<b>10.6%</b>	<b>11.5%</b>

The following data has been used in calculating the total returns on net asset value and share price for the year ended 31 December 2017:

	Dividend rate	NAV	Share price
31 December 2016	N/A	211.82p	194.25p
19 January 2017	2.75p	216.85p	204.00p
27 April 2017	2.25p	222.29p	208.25p
20 July 2017	2.25p	232.71p	216.00p
19 October 2017	2.25p	235.14p	217.50p
31 December 2017	N/A	235.63p	218.00p
<b>Total return</b>		<b>16.0%</b>	<b>17.4%</b>

## Alternative Performance Measures continued

### 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 throughout the year. The ratio for 30 June 2018 is based on forecast ongoing charges for the year ending 31 December 2018.

	30 June 2018	31 December 2017
Investment management fees (£'000)	3,536	3,528
Administrative expenses (£'000)	996	1,069
<b>Ongoing charges (£'000)</b>	<b>4,532</b>	<b>4,597</b>
<b>Average net assets (£'000)</b>	<b>412,314</b>	<b>423,244</b>
<b>Ongoing charges ratio</b>	<b>1.10%</b>	<b>1.09%</b>

# How to Invest in Aberdeen Asian Income Fund Limited

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## Direct

Investors can buy and sell shares in Aberdeen Asian Income Fund Limited (the "Company") directly through a stockbroker or an online dealing and investment platform or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through Aberdeen Standard Investment's Investment Trust Share Plan and Investment Trust ISA and Aberdeen's Investment Plan for Children.

## Suitable for Retail/NMPI Status

The Company's securities are intended for investors primarily in the UK (including retail investors), professional-advised private clients and institutional investors who are wanting to benefit from the growth prospects of Asian companies by investment in an investment company and who understand and are willing to accept the risks of exposure to equities. Investors should consider consulting a financial adviser who specialises in advising on the acquisition of shares and other securities before acquiring shares. Investors should be capable of evaluating the risks and merits of such an investment and should have sufficient resources to bear any loss that may result.

The Company currently conducts its affairs so that its securities can be recommended by IFAs to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's securities are excluded from the FCA's restrictions which apply to non-mainstream pooled investments (NMPIs) because the Company would qualify as an investment trust if the Company were based in the UK.

## Pre Investment Disclosure Document

In accordance with Article 23 of the Alternative Investment Fund Managers Directive and Rule 3.2.2 of the FCA FUND Sourcebook, the Company's Manager is required to make available certain disclosures for potential investors in the Company. These disclosures are available on the Company's website:

<http://www.invt trusts.co.uk/doc.nsf/Lit/PressReleaseUKClo seditaifaalternativeinvestmentfundmanagersdirectivepid>

## Aberdeen's 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's Stocks and Shares ISA

An investment of up to £20,000 in the Company can be made in the tax year 2018/2019.

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. 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 Aberdeen Standard Investments' Stocks and Shares ISA which can be invested in the Company while retaining your ISA wrapper. The minimum lump sum for a transfer is £1,000, subject to a minimum per company of £250.

## Aberdeen's 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 company, while regular savers may 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.

# How to Invest in Aberdeen Asian Income Fund Limited

continued

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## 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 and investment companies 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.

## Keeping You Informed

The Company's Ordinary share price appears under the heading 'Investment Companies' in the Financial Times, and other national newspapers.

For internet users, detailed data on the Company including Ordinary Share price, performance information and a monthly fact sheet is available from the Company's website [asian-income.co.uk](http://asian-income.co.uk) and the TrustNet website [trustnet.co.uk](http://trustnet.co.uk). Alternatively please call 0808 500 0040 for trust information.

For further information concerning any direct shareholding, please contact the Company's registrars:

### Link Market Services (Jersey) Limited

PO Box 532  
St Helier  
Jersey JE4 5UW

Tel: 01534 847 000  
e-mail: [enquiries@linkgroup.co.uk](mailto:enquiries@linkgroup.co.uk)  
[signalshares.com](http://signalshares.com)  
Tel: 0371 664 0300  
Tel International: (+44 208 639 3399)  
(lines are open 9.00am-5.30pm Mon-Fri)

## Online dealing providers and Platforms

### Investor information

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, such as a self-invested personal pension (SIPP). 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; Fidelity Personal Investing; Hargreave Hale; Hargreaves Lansdown; Idealing; Interactive Investor; Selftrade; The Share Centre; Stocktrade.

## 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 Wealth Management Association at [thewma.co.uk](http://thewma.co.uk).

## Independent financial advisers

To find an adviser who recommends on investment trusts, visit [unbiased.co.uk](http://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 at [www.fca.org.uk/firms/systems-reporting/register/search](http://www.fca.org.uk/firms/systems-reporting/register/search)  
Email: [register@fca.org.uk](mailto:register@fca.org.uk)

## Literature Request Service

For literature and application forms for the Manager's investment trust products, please contact:

Telephone: 0808 500 0040  
[www.investments.co.uk/en/investmenttrusts/literature-library](http://www.investments.co.uk/en/investmenttrusts/literature-library)

Terms and conditions for the Aberdeen Standard Investments managed savings products can also be found under the literature section of [investments.co.uk](http://investments.co.uk). For information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

## Aberdeen Investment Trust Administration

PO Box 11020  
Chelmsford  
Essex, CM99 2DB  
Telephone: 0808 500 0040

*The 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 Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.*

# Corporate Information

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## Directors

Charles Clarke, Chairman  
Mark Florance, Audit Committee Chairman  
Ian Cadby  
Nicky McCabe (*appointed 16 May 2018*)  
Krystyna Nowak  
Hugh Young  
Peter Arthur (*retired 16 May 2018*)

## Investment Manager

Aberdeen Asset Management Asia Limited  
21 Church Street, #01-01 Capital Square Two  
Singapore 049480

## Manager, Secretary and Registered Office

Aberdeen Private Wealth Management Limited  
1st Floor, Sir Walter Raleigh House  
48 – 50 Esplanade  
St Helier  
Jersey JE2 3QB

Registered in Jersey with number 91671

## Registrars

Link Market Services (Jersey) Limited  
PO Box 532  
St Helier  
Jersey JE4 5UW  
Tel: 01534 847 000

## Transfer Agents

Link Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

Tel: 0371 664 0300  
(lines are open 8.30am-5.30pm Mon-Fri)  
Tel International: (+44 208 639 3399)  
e-mail enquiries@linkgroup.co.uk  
signalshares.com

## Website

asian-income.co.uk

## Corporate Broker

Stifel Nicolaus Europe Limited  
150 Cheapside  
London EC2V 6ET

## Bankers

Scotiabank (Ireland) Limited  
I.F.S.C House  
Custom House Quay  
Dublin 1  
Dublin

Scotiabank Europe plc  
6th Floor, 201 Bishopsgate  
London EC2M 3NS

## Solicitors

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

Jersey Lawyers  
Appleby  
PO Box 207  
13-14 Esplanade  
St Helier  
Jersey JE1 1BD

## Independent Auditor

Ernst & Young LLP  
Liberation House  
Castle Street  
St Helier  
Jersey JE1 1EY

## Custodian

BNP Security Services S.A Jersey Branch

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

MIXWGC.99999.SL.832

## Legal Entity Identifier (LEI)

549300U76MLZF5F8MN87





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[asian-income.co.uk](http://asian-income.co.uk)