ABRDN ASIAN INCOME FUND LIMITED
Legal Entity Identifier (LEI): 549300U76MLZF5F8MN87

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

HIGHLIGHTS

- A dividend yield of 5.6%, resulting from a 17.5% increase in the annual dividend of 11.75p per share. It is the Board's intention to continue to increase the dividend.
- NAV total return of 2.5%, compared to a total return of 1.6% from the MSCI AC Asia Pacific ex Japan Index (the "Index").
- NAV and share price total returns have now outperformed the Index over one, three, and five years. Our structural underweight exposure to China continues to contribute to performance.
- A 23% reduction in the management fee, saving shareholders £664,000, based on the lower of market capitalisation and net assets which aligns the fees with shareholders' interests. This is expected to reduce the OCR from 1.00% to 0.83% resulting in the Company offering one of the lowest fees in the peer group.

Dividend per Ordinary share	
2023	11.75p
2022	10.00p

Dividend yield [A C D]	
2023	5.6%
2022	4.7%

Net asset value total return [A B]	
2023	2.5%
2022	-3.6%

Ordinary share price total return [A B]	
2023	1.9%
2022	-2.7%

MSCI AC Asia Pacific ex Japan Index total return (currency adjusted) [B]	
2023	1.6%
2022	-6.8%

MSCI AC Asia Pacific ex Japan High Dividend Yield Index total return (currency adjusted) [B]	
2023	11.7%
2022	3.2%

Earnings per Ordinary share - basic (revenue)	
2023	11.97p
2022	10.23p

Discount to net asset value per Ordinary share [AC]	
2023	12.8%
2022	11.7%

Ongoing charges [AE]	
2023	1.00%
2022	1.01%

Net gearing [A C]	
2023	7.5%
2022	8.1%

A Alternative Performance Measure.
B Total return represents the capital return plus dividends reinvested.
C As at 31 December.
D Yield is calculated as the dividend per Ordinary share divided by the share price per Ordinary share expressed as a percentage.
E Calculated in accordance with the latest AIC guidance issued in October 2020 to increase the scope of reporting the look-through costs of holdings in investment companies.

SUMMARY OF RESULTS

Financial Highlights

	31 December 2023	31 December 2022	% change
Net asset value total return [A]	+2.5%	-3.6%	
Share price (Ordinary) total return [A]	+1.9%	-2.7%	
MSCI AC Asia Pacific ex Japan Index total return (currency adjusted)	+1.6%	-6.8%	
MSCI AC Asia Pacific ex Japan High Dividend Yield Index total return (currency adjusted)	+11.7%	+3.2%	
Market capitalisation (£million)	£347.7	£365.1	-4.8
Discount to net asset value per Ordinary share [A]	12.8%	11.7%	
Ongoing charges ratio [A]	1.00%	1.01%	
Dividend and earnings			
Total return per Ordinary share [B]	5.18p	(10.01)p	n/a
Earnings per Ordinary share - basic (revenue) [B]	11.97p	10.23p	+17.0
Dividends per Ordinary share [C]	11.75p	10.00p	+17.5
Dividend cover per Ordinary share [A]	1.02	1.02	-
Revenue reserves (£million) [D]	£7.7	£7.3	
Dividend yield [A]	5.6%	4.7%	

[A] Considered to be an Alternative Performance Measure.

[B] Measures the relevant earnings for the year divided by the weighted average number of Ordinary shares in issue (see note 10).

[C] The figure for dividends reflects the years in which they were earned (see note 9).

[D] The revenue reserves figure takes account of the fourth interim dividend amounting to £7,105,000 (2022 - fourth interim amounting to £5,263,000).

Capital Performance to 31 December 2023

	31 December 2023	31 December 2022	% change
Total assets (£million)	£431.0	£454.4	-5.2
Total equity shareholders' funds (net assets) (£million)	£398.9	£413.4	-3.5
Net asset value per Ordinary share	238.59p	243.44p	-2.0
Ordinary share price	208.00p	215.00p	-3.3

Long Term Total Return Performance to 31 December 2023

	1 year % return	3 year % return	5 year % return	Since launch [B] % return
Net asset value [A]	+2.5	+9.7	+36.8	+388.0
Share price (Ordinary) [A]	+1.9	+4.3	+33.5	+333.3
MSCI AC Asia Pacific ex Japan Index (currency adjusted)	+1.6	-6.9	+27.2	+308.7
MSCI AC Asia Pacific ex Japan High Dividend Yield Index (currency adjusted)	+11.7	+24.6	+35.8	+399.6

[A] Considered to be an Alternative Performance Measure.
[B] Launch date being 20 December 2005.

CHAIRMAN'S STATEMENT

Navigating Challenging Environments: Proactive Response from the Board
As outlined in the Market Overview below, the macroeconomic landscape of 2023 was characterised by higher interest rates aimed at curbing inflationary pressures, compounded by geopolitical tensions stemming from military actions in Ukraine and, subsequently, Israel/Gaza. The Association of Investment Companies (the "AIC"), representing the investment trust industry, recently reported that discounts across the sector have reached multi-year highs, with the average discount hovering around 14%. Simply put, this discount reflects an imbalance between supply and demand, with more sellers than buyers of investment trusts. Despite abrdn Asian Income Fund consistently outperforming its comparable Index, it has not been immune to these challenges, ending the year with a discount of 12.8%.

To address this scenario and stimulate interest in the Company, the Board, alongside continuing to commit to its buyback programme in 2024, has proactively implemented several additional measures that are set out below.

Firstly, we have announced a significant reduction in the management fee, following negotiations with our Investment Manager, abrdn. The new fee structure, which is based on the lower of market capitalisation and net assets, represents an approximate 23% decrease compared to the previous fee, an estimated saving of £664,000 based on the year end assets. This adjustment enhances value for both existing and prospective shareholders.

Moreover, the shift to a market capitalisation-based fee aligns abrdn more closely with our shareholders, particularly when the Company's shares are trading at a discount to the net asset value ("NAV"). Furthermore, abrdn's commitment to the Company is underscored by its decision to invest its management fees for a six-month period back into the shares of the Company.

In line with our commitment to enhancing shareholder returns, our portfolio managers are optimising the portfolio with a proportionate emphasis on higher yielding stocks, which has enabled us to increase the dividend yield, a crucial requirement for many of our investors. The dividend yield stood at 5.6% at the year end, and we aim to position the Company among the highest dividend-yielding companies within our Asia Pacific Income investment trust peer group.

Lastly, recognising the importance of brand recognition and investor outreach, we have engaged a brand specialist to review the Company's messaging. Coupled with a strategy aimed at expanding our reach to retail investors, supported by abrdn, we anticipate an uptick in retail demand throughout 2024.

We believe these measures collectively underscore the appeal of abrdn Asian Income Fund to both private and institutional investors. With our track record of index-beating performance, an attractive dividend yield, and a commitment to enhancing value through lower fees, we will continue to be proactive in navigating these challenging market conditions and deliver value to our shareholders.

Market Overview
During 2023, Asia-Pacific stock markets were influenced by a combination of inflation expectations, central bank decision- making, and the health of the Chinese economy following the re-opening of its international borders three years after the Covid pandemic. Investors were left wanting, with the slow pace of domestic consumption recovery in China trailing their expectations. Some bright spots in an otherwise volatile global market were found in Australia and India, as well as a rebound in technology-heavy markets such as South Korea and Taiwan.

The rapid pace at which input prices rose around the world in prior years eased throughout 2023, due to the aggressive response from global central banks and improving supply chains. As a result, prices of key raw materials fell over the course of the year, which relieved some of the cost pressures for many companies. Broadly, inflation in the Asia-Pacific region has returned to relatively manageable levels, influenced by various market-specific factors reflecting the region's incredibly diverse nature.

Towards the end of the year, major central banks slowed their aggressive pace of monetary tightening to avoid disrupting economic growth but kept interest rates at higher levels than seen in recent years. The US Federal Reserve paused rate increases from July, while Asian central banks were ahead of the Federal Reserve in ending their tightening measures. From a dividend perspective, this 'pivot' from the US central bank is expected to be supportive for high-yielding companies, whose income characteristics become more attractive in a lower interest rate environment.

There was continued disappointment and underperformance of the Chinese market, an exposure your Company has successfully shielded itself from due to the portfolio's natural underweight position in this market. Chinese equities started the year strongly, riding a wave of heightened optimism that followed the post-Covid re-opening. However, investor sentiment weakened once it became apparent that domestic demand remained muted while nervousness and general economic malaise became evident in the property market. Policymakers in Beijing introduced a swathe of fiscal and monetary measures throughout the year to promote domestic consumption and support real estate, but investors remained unconvinced.

Performance

On a total return basis, the NAV per share rose by 2.5% for the year, outperforming the MSCI AC Asia Pacific ex Japan Index (the "Index"), which generated a total return of 1.6% (currency adjusted). The share price total return for the year was slightly lower, at 1.9%. The discount at which the shares trade to the NAV ended the year at 12.8% compared to 11.7% at the start of the period.

In both NAV and share price terms, the Company has now outperformed the Index over one, three and five years. This outperformance reflects the Investment Manager's approach to stock selection through comprehensive analysis and a focus on high-yielding quality companies. These are companies with excellent cash-generation capabilities, a sustainable growth path for dividends, and the potential for capital growth.

The portfolio benefitted from the underweight exposure to China referred to above, in particular during the second half of the year. Growth in Asia ex-China remained attractive, and the Investment Manager endeavoured to harness this trend with positions in Taiwan, Singapore, and Australia, where dividend yields and distribution ratios are the highest in the region. Stock selection in Taiwan was a positive factor, while performance in Australia improved in the second half of the year due to good results from the banks held in the portfolio.

A more detailed summary of performance for the year can be found in the Investment Manager's Review.

Revenue and Dividends

Four quarterly dividends were declared in respect of the year. The first three dividends were paid at a rate of 2.5p with a fourth interim dividend of 4.25p, resulting in total dividends for the year of 11.75p per share. This represents a 17.5% increase compared to last year's dividends of 10.0p per share. This increase maintains the trend that has been established over each of the last 15 years and means that the Company continues to be a "next generation dividend hero" as recognised by the Association of Investment Companies. It is very much our intention to continue to extend this record.

Following payment of the fourth quarterly dividend, the Company has accumulated revenue reserves of approximately 4.6p per share, or 39% of the current annual dividend, which is available to support future distributions in years where the dividend is not covered. The Company also has the ability to use its capital reserves for this purpose. This provides an added level of comfort to the Company's ability to pay dividends and is a significant benefit of the closed end investment company structure.

The Board is very aware of the importance of dividends to shareholders, as well as providing an above-average yield and ensuring that those dividends grow over time. Based upon the Ordinary share price of 208p at the year end, the shares were yielding an above average 5.6%.

Revenue earnings per share were 11.97p for the year, an increase of 17.0% compared to the previous year. The Company has continued to benefit from the Investment Manager's focus on high-yielding companies with strong fundamentals and, as a result, we have seen growth in dividend receipts flowing into the portfolio. The Company has also been able to start recognising the benefit of lower rates of overseas withholding tax, following its move to UK tax residency in 2022.

Share Capital Management

The Company bought back 2.65 million shares during the year to be held in treasury, representing 1.6% of the shares in issue at the start of the year. Subsequent to the year-end we have continued to buy back shares and a total of 2.43 million further shares have been acquired.

These buybacks provide an enhancement to the Company's NAV and benefit all shareholders. Given the persistent discount for the reasons I elaborate on above, the Company will continue to selectively buy back shares in the market, in normal market conditions and at the discretion of the Board.

Gearing

Throughout the year, the Company had a £10 million fixed rate term loan and a £40 million revolving credit facility. At the year end, a Sterling equivalent of £32.1 million was drawn down, resulting in a gearing figure (net of cash) of 7.5%, compared to 8.1% at the beginning of the year. The Board considers that the use of moderate gearing is one of the advantages of the investment trust structure and beneficial to shareholders over the long term.

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

Annual General Meeting ("AGM") and Online Shareholder Presentation

AGM

The AGM will be held at 10:30 a.m. on 8 May 2024 at the offices of abrdn, 18 Bishops Square, London E1 6EG. There will be a short presentation by videoconference from the Investment Manager followed by tea and coffee. We very much look forward to meeting and engaging with as many shareholders as possible.

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

Online Shareholder Presentation

In order to encourage as much interaction as possible with our shareholders, and especially for those who are unable to attend the AGM, we will also be hosting an Online Shareholder Presentation, which will be held at 10:00 a.m. on Tuesday 30 April 2024. At this event you will receive a presentation from the Investment Manager and have the opportunity to ask live questions of the Chairman and the Investment Manager. The online presentation is being held ahead of the AGM so as to allow shareholders who attend to submit their proxy votes for the AGM after the presentation.

Full details on how to register for the online event can be found at: **https://bit.ly/Asia-Income-24**

Details are also contained on the Company's website.

Ongoing Charges and Management Fees
The figure for ongoing charges represents the total charges to shareholders for managing and administering the Company. The management fee payable to abrdn Asia Limited for its management of the investment portfolio is the largest component of this cost. The fee for the year was calculated on a tiered basis on the Company's net assets, at 0.80% up to £350 million and 0.60% over £350 million. With effect from 1 January 2024, the Company has benefited from a negotiated reduction in the management fee, with the annual fee now calculated on the lower of market capitalisation and net assets, at 0.75% up to £300 million and 0.60% over £300 million. Based on the year end assets, the new fee structure should result in a reduction in fee paid to abrdn of approximately £664,000.

In addition to the management fee, other material costs that contribute to the ongoing charges are an annual marketing fee payable to the Investment Manager (£200,000 for the year to 31 December 2023) and interest payable on the Company's debt. Other costs are shown in note 6 to the financial statements. The Jersey administration fee is rebated to the Company by the Investment Manager and therefore does not impact the ongoing charges figure. The total ongoing charges for the year to December 2023 were 1.00%. All other things being equal, the reduction in management fee referred to above is expected to result in an ongoing charges figure of approximately 0.83% for the year ended December 2024, a reduction of 17%.

Board Composition
Following a thorough search process, and subject to regulatory approval, the Board has identified a suitable candidate to join the Board in line with its succession plan and expects to announce the appointment of a new independent non-executive Director at the time of the AGM.

Krystyna Nowak, our Senior Independent Director, was appointed as a Director on 7 May 2015 and will have served for nine years at the time of the AGM on 8 May 2024. To allow for the completion of the regulatory approval process referred to above and to ensure a smooth transition of responsibilities, including the appointment of a new Senior Independent Director, Krystyna will stand for re-election at the AGM but will retire from the Board on or before the AGM in 2025.

Outlook
After a difficult year, the road ahead for Asian equities is one of cautious optimism. Expectations are mounting for central banks to embark on an interest rate easing path, which bodes well for the region. Borrowing costs are likely to come down while equities as an asset class should benefit from lower bond yields. Broadly, valuations in Asia remain at attractive levels compared to developed markets such as the US, and corporate earnings in the region are predicted to improve from 2024 onwards. Adding to this, Asia has had the healthiest dividend growth globally.

There are many bright opportunities outside of China, as evidenced by the Company's diversified positioning across the region. However, the recovery potential for China remains intact. Policy remains supportive with the Chinese government steadfast in its commitment to support growth. Although the precise timing and pace of this recovery remains unclear, a significant and sustainable upturn in Chinese equities could serve as a catalyst, further elevating market sentiment across Asian markets at large.

Benefitting from a long heritage in Asia, and with its portfolio management team based in the region, the Investment Manager has a strong record of finding those proven, quality companies that benefit from structural trends while generating healthy income and capital growth for investors. The Board remains confident this will be to the benefit of shareholders over the long term.

Ian Cadby
Chairman
26 March 2024

INVESTMENT MANAGER'S REVIEW

01. How did abrdn Asian Income Fund perform in 2023?

The Company's net asset value ("NAV") rose by 2.5% (total return, in sterling terms), compared with the MSCI AC Asia Pacific ex Japan Index's (the "Index") return of 1.6%. We were also pleased to generate a good level of income growth within the portfolio, which enabled the Board to deliver a 17.5% increase in the total dividend for 2023, and a dividend yield of 5.6% which is close to double that of the Index. This solid performance is due to our conviction in investing in high-yielding companies with strong fundamentals across Asia. Longer-term performance has also been good, with the Company also outperforming the Index over three and five years.

2023 was a year when macroeconomic policy and political developments exerted significant influence on equity markets across the world. Volatility and transition were prominent themes throughout the year, as challenging market conditions in the first six months gradually gave way to a more benign environment. A large part of the sentiment swing was due to the US Federal Reserve, which finally confirmed its policy pivot towards an easing stance, signalling potential interest rate cuts in 2024. With so much uncertainty around the global economy, inflation, and geopolitical tensions, a flight to safety saw investors seek out defensive holdings with above-average yields.

A key contributor to performance was the portfolio's low exposure to China, especially when compared to the Index. The portfolio also benefited from its positioning in Taiwan, such as index giant Taiwan Semiconductor Manufacturing Company ("TSMC"), the global leader in semiconductor manufacturing, as well as a selection of the smaller technology companies, including Sunonwealth Electric Machine and Accton Technology, that play an essential role in the technology value chain.

Elsewhere, the portfolio benefitted from good capital growth and dividend yield from Power Grid Corporation, an Indian utility company that is investing in green corridors to expand the country's access to renewable energy, in line with the government's net zero pledge.

As stated above, the Board announced a 17.5% increase in the total dividend for 2023, the fifteenth consecutive year of annual dividend increases. As your Chairman mentioned in his report, this underlines the Company's status as a "next generation dividend hero" as recognised by the Association of Investment Companies. The dividend for the year equates to a yield of 5.6%, based on the closing share price as at 31 December 2023.

02 What is the exposure to China?

Due to our focus on quality, Environmental, Social and Governance ("ESG") matters, and total returns, the Company has managed a small position in China for several years. This below index position of 4.8% of the portfolio was beneficial over the year, as the Chinese market was among the weakest in the region's economies, falling sharply on concerns over a slower than expected consumer recovery. The large but low yielding internet companies such as Alibaba and Meituan did not fare well, and we were able to avoid these in favour of higher dividend paying companies elsewhere in the region.

Longer term, China has the potential to spring back, both in terms of its economy and its stock market. The roll out of more supportive policies in a co-ordinated manner could send a strong signal to the market that the government is intensifying its efforts to prop up the economy. This would suggest an incrementally positive outlook for China in 2024. There are also some structural trends in China that speak to its future potential and opportunity. As wealth increases and the middle class expands, the Chinese population will shift up the spending pyramid, with higher wealth reaching more individuals. Growing affluence and prosperity in the middle class means rising demand for assets. This could be growing demand for white goods, as provided by consumer appliance maker Midea, or for wealth management and insurance services, which helps the financial conglomerate AIA, both of which are held in the portfolio. China is also making moves in the green transition, with the holding in China Resources Gas set to gain from the rising demand for renewable energy.

Given the size of the Chinese economy and its remarkable growth in the past decade, some investors have tended to overlook other markets in Asia. However, Asia is far more than just China. There are world class businesses held in the portfolio that offer both capital growth and growing yields across a diverse range of sectors. The portfolio includes Tata Consultancy Services ("TCS") in India, Samsung Electronics in South Korea and BHP in Australia, all of which have a high quality business offering that makes them globally competitive. In addition, some parts of Asia will be beneficiaries of new supply chain networks that form to diversify manufacturing outside of China. Singapore listed companies such as Venture and AEM have manufacturing plants in Malaysia that service the needs of global blue chip customers looking for new suppliers. Similarly, Hong Kong based shipping company SITC International has been a beneficiary of new trading routes emerging under the "China plus one" diversification strategy.

03 What was behind the strong growth in investment income?

Asia is often wrongly perceived as a region which mainly offers capital growth. In reality, dividends have risen steadily for the past 25 years and now make up half of total returns for the region, demonstrating that there are plenty of opportunities for those seeking good income.

In addition to regular dividends, companies can pay special dividends from time to time for various business reasons. Our ability to stay alert to these opportunities can generate good returns, and is well supported by our team of approximately 40 analysts located on the ground across Asia. We look for strong balance sheets in our holdings as this provides flexibility. Not only does it provide resilience through business cycles and mitigate refinancing risk in a rising rate environment, but it also gives a company the choice to reinvest in growth, reduce borrowings or distribute returns to shareholders. Analysis shows the strength of Asian corporate balance sheets relative to the US and Europe, where companies have been leveraging up their balance sheets during the past decade.

Outside of the traditional yield sectors of banking, real estate and telecoms, we have also managed to source good yields from companies in highly diverse industries that benefit from many of the structural growth trends seen across Asia. The investment income generated by the portfolio is collected across a broad range of themes, sectors, and geographies.

The consumer growth story in Asia has proven to be a good driver of dividend growth. As an example, we bought shares in consumer group Astra International ahead of its special dividend. One of the company's subsidiaries enjoyed a strong recovery post-Covid and Astra decided to pay out the extra cash generated as a special dividend, taking the total yield of the shares close to 12%. Ultimately we exited this position after the special dividend was paid as we do not expect this payout to be repeated in the coming years. Meanwhile in Taiwan, MediaTek, a semiconductor company, restructured its dividend policy to return free cash flows generated from its operations by way of special dividends. The total yield on this holding, including the capital return, was close to 11%.

One of our key strengths, and the reason why we can act quickly on dividend updates from corporates, comes from having a large team of analysts in Asia. We engage regularly with all the companies we are invested in and the analysts stay informed of companies across the region within our investment universe. This means we can be nimble and act upon special dividend announcements, which by nature are unpredictable and difficult to time.

More broadly, we have been able to generate a good level of income from the portfolio without any significant increase in activity. Portfolio turnover remains below 40%.

04. Is Asia's technology sector still seeing good growth?

Asia's technology sector is coming off a trough after a challenging 2023, and we believe that this remains one of the areas where structural growth trends are helping our search for dividend paying companies. Asia plays a crucial role in the global technology sector. It is home to some of the largest and most influential technology companies in the world, including Samsung Electronics and TSMC, which are the Company's top two holdings. The growth of technology related companies in Taiwan and South Korea has been so strong that the stock markets in both these countries are now heavily weighted towards the sector.

Asian companies dominate the global market for smartphones and global brands rely on Asia for the production of hardware components and devices. Heavy investment in research and development has led to significant advancements in fields from wearable devices to biotechnology, which is boosting growth in generative artificial intelligence ("AI") and on-device AI, as well as increasing data consumption and processing.

A notable consequence of the sector's growth has been the emergence of a thriving supply chain of companies which make products ranging from semiconductor materials to server cooling fans and circuit switches. Semiconductor chips are particularly important as they are the building blocks for many more complex electronics devices. TSMC has over half of the world's semiconductor manufacturing capacity which gives it pricing power, a key advantage in passing on cost inflation to customers. It also has strong cash flow generation which helps shore up its balance sheet and increase returns to shareholders. Semiconductor chips can be used as part of an integrated circuit to power large scale servers which process and store data. Integrated circuits need several components including switches that control data flow, which are produced by Accton Technology, whilst data servers generate heat which require specialist cooling fans to moderate temperatures, such as those made by Sunonwealth Electric Machine. In 2023, investors focused increasingly on the huge potential for AI related products. Generative AI, which produces content, images and audio, could be particularly significant in the long term due to the need to upgrade technology infrastructure. ChatGPT is just the first of many such applications. This could provide a long-term boost for both TSMC and Samsung Electronics, as these companies are amongst the global leaders in advanced semiconductor technology that powers generative AI.

Beyond technology hardware, Asia has also seen significant growth in e-commerce and digital services, including social media and gaming. Asian countries have some of the highest numbers of internet users globally and the development of 5G networks and other advanced technologies is a priority for many Asian nations. To gain further exposure to this and enhance income returns, the portfolio holds network infrastructure companies such as Taiwan Mobile and Australia's Telstra, as well as digitally optimised banking franchises across the region such as Singapore's DBS.

Overall, we remain confident of the longer-term prospects for both growth and income in this sector.

05. Does ESG matter in selection companies?

Yes, we regard ESG as a core part of our quality investment process. When picking quality stocks, we look for several key attributes: trustworthy management with a good track record of execution, healthy balance sheets, robust business models with entrenched competitive advantages, and sustainable cash-generative operations that can support dividends. Before we invest in a company, we do our own due diligence using published financial statements and meeting the management teams. We invest in a company at the right price, once we are convinced of its investment thesis and quality, and we monitor it regularly after adding it to the portfolio.

Another way to enhance returns and mitigate portfolio risk is by ESG analysis into our investment process. In our opinion, informed and constructive engagement helps foster better corporate practices, and that in turn can protect and increase the value of the portfolio. Moreover, active engagement is particularly pertinent in Asia, where an ESG culture has been slower to emerge relative to Europe and the US. Many companies in the region are beginning to understand the significance of ESG reporting and the potential impact on share prices from having a clear and transparent ESG policy.

As part of the process, we find that regular engagement with companies on ESG issues is vital in keeping up to date with industry developments. This is another reason why having a significant presence on the ground in Asia is a source of competitive strength. We currently have three on-desk ESG specialists within the equity team in Asia. This enables us to maintain regular access with company management teams and industry thought leaders across the region. On top of this, our team's understanding of many local languages and cultures, helps us to keep our finger on the pulse and get the most out of our engagement, driving better returns for shareholders.

In 2023, we had 129 company meetings with 49 separate companies. Among these engagements, we discussed various issues with Samsung Electronics, including share ownership and remuneration targets for directors, and also asked the company how it tests the authenticity of the recycled resin and polyamide it uses. We engaged with Rio Tinto on proposed changes to its remuneration policy, especially those related to performance measures and vesting thresholds for the long- term incentive plan, as well as the share deferral requirements for annual bonuses. In our discussions with Commonwealth Bank of Australia, we learned more about how the bank manages the risks associated with labour management, money laundering and counter terrorism financing operations.

Our successful approach to ESG is reflected by the recognition we have received from external ESG agencies, including the widely used Morningstar Sustainability Index which assigned us its highest rating, and MSCI which awarded the Company an A rating.

06 What is the outlook for Asian markets in 2024?

The final weeks of 2023 saw the clearest signal yet from the Federal Reserve that its long period of tightening monetary policy could finally be coming to an end. The precise timing and scale of future interest rate cuts remains to be seen, but the benefits of potentially lower borrowing costs and a weaker US Dollar are likely to boost the appeal of Asian assets and currencies. Income investors have more reason to cheer as better economic growth and lower bond yields only serve to increase the appeal of the equity income asset class. Another positive economic factor is that inflation across Asia in 2023 was modest compared with many developed countries, which means interest rates have not risen as much and central banks in several countries were able to stop increasing rates in the second half of 2023.

China remains a source of concern, given its economic recovery has not been as smooth as expected. Domestic consumption continues to be muted, while ongoing challenges persist to stimulate spending and growth. However, we are seeing signs of increasing targeted support and intervention by both the central bank and the government. Other headwinds for the region include geopolitical developments that have already and could continue to dampen investor appetite for risky assets and disrupt supply chains, including attacks in the Red Sea, ongoing trade tensions between the US and China, and territorial disputes in the South China Sea. 2024 will also see political influence as elections loom large across Asia. Whilst outcomes in Taiwan and Indonesia thus far suggest policy continuity, the polls move to India next in April where Prime Minister Modi will look to continue his vision for India as a leading global economy. Further afield, the US Presidential elections in November could lead to an increase in political noise and uncertainty for the Asia region.

Key structural themes, such as increasing personal incomes and the move to renewable energy, continue to provide some of the best investment opportunities across a range of sectors from infrastructure to financial services and vehicle manufacturing. Asia has some of the largest and fastest growing companies in the world. Many are established global brands or have built dominant positions in growing sectors. The technology sector is now recovering as AI-related applications and chips start to proliferate, fuelling further demand in the semiconductor and consumer electronics sectors.

More broadly, there are expectations that corporate earnings will show improvement from the beginning of 2024. We continue to believe that quality companies with solid balance sheets and sustainable earnings growth will emerge stronger from tough times. For income investors, the prospects are improving, with dividends of Asian companies showing steady growth. A growing valuation divergence between Asia and developed markets over the past 12 months means that Asian companies now offer better value coupled with better forecast earnings growth. This means investors have an excellent opportunity to prosper from the twin benefits of rising income and capital growth.

Over the longer term, we see the most attractive opportunities around some key structural themes in Asia. Rising affluence is spurring growth in areas including financial services, while urbanisation and an infrastructure boom is set to benefit property developers and mortgage providers. The region is also in the driving seat when it comes to the green transition, with renewable energy, batteries, electric vehicles, related infrastructure, and environmental management all leading the way. We continue to favour fundamental themes, which we believe will deliver good dividends for shareholders over the long run.

Yoojeong Oh and Eric Chan
abrdn Asia Limited
26 March 2024

OVERVIEW OF STRATEGY

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

Tax Residency

Following shareholder approval at an Extraordinary General Meeting held on 8 September 2021, with effect from 1 January 2022 the Company migrated its tax residency to the UK from Jersey and elected to join the UK's investment trust regime. The Company continues to be registered with limited liability in Jersey as a closed-end investment company under the Companies (Jersey) Law 1991.

Investment Objective

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

Business Model

The Company aims to attract long-term private and institutional investors wanting to benefit from the growth prospects of Asian companies including those with above average dividend yields.

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

Investment Policy

Asset Allocation

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

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

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

The Company invests in small, mid and large capitalisation companies. The Company's policy is not to acquire securities that are unquoted or unlisted at the time of investment (with the exception of securities which are about to be listed or traded on a stock exchange). However, the Company may continue to hold securities that cease to be quoted or listed if the Investment Manager considers this to be appropriate. The Company may also enter into stock lending contracts for the purpose of enhancing income returns.

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

Risk Diversification

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

In addition, the Company will not:

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

The Company may invest in derivatives, financial instruments, money market instruments and currencies for investment purposes (including the writing of put and call options for non-speculative purposes to enhance investment returns) as well as for the purpose of efficient portfolio management (i.e. for the purpose of reducing, transferring or eliminating investment risk in the Company's investments, including any technique or instrument used to provide protection against foreign exchange and credit risks). For the avoidance of doubt, in line with the risk parameters outlined above, any investment in derivative securities will be covered.

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

Gearing Policy

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

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

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

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

Duration
The Company does not have a fixed life.

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

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

The purpose of the Company is to act as a vehicle to provide, over time, financial returns (both income and capital) to its shareholders. The Company's investment objective is disclosed above. The activities of the Company are overseen by the Board of Directors of the Company. The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. At its regular meetings, the Board reviews the culture and manner in which the Investment Manager operates and receives regular reporting and feedback from the other key service providers.

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

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

Annual General Meeting ("AGM") and Online Shareholder Presentation	The AGM provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. The next AGM will take place at 10:30 a.m. on 8 May 2024 in London. Shareholders who are unable to attend are encouraged to lodge their votes by proxy on all the resolutions put forward. As explained in the Chairman's Statement, the Company will hold an online shareholder presentation in advance of the AGM this year including the opportunity for an interactive question and answer session.
Annual Report	The Company publishes a full annual report each year that

	contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format.
Company Announcements	The Company issues announcements for all substantive news relating to it. These can be found on the Company's website and the London Stock Exchange's website.
Results Announcements	The Company releases a full set of financial results at the half year and full year stage. Updated net asset value figures are announced on a daily basis.
Monthly Factsheets	The Investment Manager publishes monthly factsheets on the Company's website including commentary on the portfolio and market performance.
Website	The Company's website contains a range of information and includes a full monthly portfolio listing of the Company's investments as well as podcasts by the Investment Manager. Details of financial results, the investment process and Investment Manager together with Company announcements and contact details can be found here: **asian-income.co.uk**.
Investor Relations	The Company subscribes to the Investment Manager's Promotional and Investor Relations programme.

The Investment Manager
The key service provider for the Company is the Investment Manager, abrdn Asia Limited. The performance of abrdn Asia Limited is reviewed in detail at each Board meeting.

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

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

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

Portfolio
The Investment Manager's Review 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.

During the year, the Board confirmed that the continuing appointment of the Investment Manager, on the terms agreed, is in the interests of the shareholders as a whole.

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 continues to monitor, evaluate and seek to improve these processes as the Company continues to grow over time, to ensure that the investment proposition is delivered to shareholders and other stakeholders in line with their expectations.

ESG
The Board is responsible for overseeing the work of the Investment Manager and this is not limited solely to the investment performance of the portfolio companies. The Board also has regard for environmental, social and governance ("ESG") matters that subsist within the portfolio companies.
During the year, the Board conducted regular meetings and met with the Investment Manager's ESG team in order to discuss the Investment Manager's principles and policies. The Board is supportive of, and encourages, the Investment Manager's pro-active approach to ESG engagement.

Gearing
The Company utilises gearing in the form of bank debt with the aim of enhancing shareholder returns over the longer term. Throughout the year, the Company had a £10 million fixed rate term loan and a £40 million revolving credit facility. Both of the borrowing facilities matured on 1 March 2024. The £10 million fixed rate loan was repaid in full and the Company renewed its £40 million revolving credit facility with a £50 million loan for one year with the Bank of Nova Scotia, London Branch, its existing lender. Under the terms of the revolving credit facility, the Company has the option to increase the level of the commitment from £50 million to £70 million at any time, subject to the Lender's credit approval. The Board reviews the level of gearing at each Board meeting.

Share Buybacks
During the year, the Board continued to buy back Ordinary shares opportunistically in order to provide liquidity to the market and to provide an enhancement to the Company's NAV and benefit all shareholders. 2.6 million shares were bought back during the year to be held in treasury, representing 1.6% of the shares in issue at the start of the year.

Investment Management and Company Secretarial Arrangements
During the year, the Board was advised by the abrdn Group of the proposed sale of its discretionary fund management business in Jersey, which had previously provided a Jersey regulatory function to the Company.

Consequently, with effect from 15 August 2023, pursuant to a new management agreement between the Company and the abrdn Group, abrdn Asia Limited was appointed as the Company's Investment Manager and abrdn Investments Limited was appointed as the Company's Administrator. In addition, the Company appointed JTC Fund Solutions (Jersey) Limited ("JTC") to provide certain Jersey based services, including company secretarial services.

There were no changes to the management fee as a result of the above changes and the administration fee charged by JTC is met by the abrdn Group.

Management Fee

During the year the Board negotiated a reduction in the management fee, details of which are set out in the Chairman's Statement. The new fee arrangement takes effect from 1 January 2024 . All other things being equal, the reduction in management fee is expected to result in a reduction of approximately 17% in the ongoing charges figure, benefitting all shareholders.

Company Messaging

Recognising the importance of brand recognition and investor outreach, the Board has engaged a brand specialist to review the Company's messaging. Coupled with a strategy aimed at expanding the Company's reach to retail investors, supported by abrdn, the Board anticipate an increase in retail demand for the Company's shares throughout 2024, thereby benefiting all shareholders.

Online Shareholder Presentation

To encourage and promote stronger interaction and engagement with the Company's shareholders, the Board will hold an interactive online shareholder presentation which will be held at 10.00 a.m. on Tuesday 30 April 2024. At the presentation, shareholders will receive updates from the Chairman and Investment Manager and there will be the opportunity for an interactive question and answer session. The online presentation is being held ahead of the AGM to allow shareholders to submit their proxy votes prior to the meeting.

Key Performance Indicators ("KPIs")

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

KPI	Description
Dividend Payments per Ordinary share	The Board aims to grow the Company's dividends over time. Dividends paid over the past 10 years are set out below.
Performance	**Absolute Performance:** The Board monitors the Company's NAV total return performance in absolute terms. **Relative Performance:** The Board also measures performance against the MSCI AC Asia Pacific ex Japan Index (currency adjusted) and the MSCI AC Asia Pacific ex Japan High Dividend Yield Index (currency adjusted) and performance relative to other investment companies within the Company's peer group over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies. **Share Price Performance:** The Board also monitors the price at which the Company's shares trade relative to the MSCI AC Asia Pacific ex Japan Index (currency adjusted) and the MSCI AC Asia Pacific ex Japan High Dividend Yield Index (currency adjusted) on a total return basis over time. The Board measures performance over a time horizon of at least five years. Further commentary on the performance of the Company is contained in the

	Chairman's Statement and Investment Manager's Review.
Discount/Premium to NAV	The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The Directors aim to operate an active share buyback policy should the price at which the Ordinary shares trade relative to the NAV per Share (including income) be at a discount of more than 5% in normal market conditions.
Ongoing Charges Ratio	The Board monitors the Company's operating costs carefully.
Gearing	The Board ensures that gearing is kept within the Board's guidelines to the Investment Manager.

Risk Management

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

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

In addition to these risks, the Board is conscious of the ongoing impacts of the conflicts in Ukraine and the Middle East, as well as continuing tensions between the US and China. The Board is also conscious of the impact of inflation and higher interest rates on financial markets. The Board considers that these are risks that could have further implications for financial markets.

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.

Risk Management	**Mitigating Action**
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 poor performance, the Company becoming unattractive to investors, a decreased demand for shares and a widening discount.	The Board keeps the investment objective and policy as well as the level of discount and/or premium at which the Company's Ordinary shares trade under review. In particular, there are periodic strategy discussions where the Board reviews the Investment Manager's investment processes, analyses the work of the Investment Manager's Promotional and Investor Relations teams and receives reports on the market from the Broker. In addition, the Board is updated at each Board meeting on the make-up of and any movements in the shareholder register.

Investment portfolio, investment management – investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and an inability to meet the Company's objectives or a regulatory breach.	The Board sets, and monitors, its investment restrictions and guidelines, and receives regular reports which include performance reporting on the implementation of the investment policy, the investment process and application of the Board guidelines. The Investment Manager is represented at all Board meetings.
Financial obligations - the ability of the Company to meet its financial obligations, or increasing the level of gearing, could result in the Company becoming over-geared or unable to take advantage of potential opportunities and result in a loss of value to the Company's Ordinary shares.	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.
Financial – the financial risks associated with the portfolio could result in losses to the Company.	The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are mitigated in conjunction with the Investment Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 18 to the financial statements.
Regulatory - failure to comply with relevant regulation (including Jersey Company Law and regulations, the Financial Services and Markets Act, The Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation, the Alternative Investment Fund Managers Directive, Accounting Standards, the UK Corporation Tax Act 2010 and the FCA's Listing Rules, Disclosure Guidance and Transparency Rules and Prospectus Rules) may have an impact on the Company.	The Board relies upon the Company Secretary and Investment Manager to ensure the Company's compliance with applicable law and regulations and from time to time employs external advisers to advise on specific concerns. The Board also reviews the Company's Business Risk Assessment and the Company Secretary's and Investment Manager's compliance monitoring plans.
Operational - the Company is dependent on third parties for the provision of all systems and services (in particular, those of the Investment Manager) and any control failures and gaps in these systems and services could result in a loss or damage to the Company.	The Board monitors operational risk and as such receives internal controls and risk management reports from the Investment Manager at each Board meeting. It also receives assurances from all its significant service providers, as well as back to back assurance from the Investment Manager at least annually. Further details of the internal controls which are in place are set out in the Directors' Report.
Income and dividend risk - there is a risk that the portfolio could fail to generate sufficient income to meet the level of the annual dividend, or fully recover its entitlement to overseas withholding tax, thereby drawing upon, rather than replenishing, its revenue and/or capital reserves.	The Board monitors this risk through the review of income forecasts, provided by the Investment Manager, at each Board meeting.

Promoting the Company

The Board recognises the importance of communicating the long-term attractions of the Company to prospective investors both for improving liquidity and enhancing the value and rating of the

Company's Ordinary shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by the abrdn Group on behalf of a number of investment companies under its management. The Company also supports the abrdn investor relations programme which involves regional roadshows and promotional and public relations campaigns. The purpose of these initiatives is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. The Company's financial contribution to the programmes is matched by the Investment Manager. abrdn's closed end fund sales and promotional teams report 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 Company, through the Investment Manager, has also commissioned independent paid-for research which has been undertaken by Edison Investment Research Limited and a copy of the latest research is available for download from the Company's website.

Environmental, Social and Human Rights Issues
The Company has no employees as management of the assets is delegated to the Investment Manager. There are therefore no disclosures to be made in respect of employees.

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

Global Greenhouse Gas Emissions
The Company has no greenhouse gas emissions to report from the operations of its business, nor does it have direct responsibility for any other emissions producing sources.

Under Listing Rule 15.4.29 (R), the Company, as a closed ended investment company, is exempt from complying with the Task Force on Climate Change-related financial disclosures.

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

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

- The principal risks detailed in the Strategic Report;
- The ongoing relevance of the Company's investment objective in the current environment;
- The demand for the Company's shares evidenced by the historical level of premium and/or discount;
- The level of income generated by the Company;
- The liquidity of the Company's portfolio; and,
- The flexibility provided by the £50 million revolving credit facility that has been renewed since the year end and which matures in March 2025.

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

Future

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

Ian Cadby
Chairman
26 March 2024

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Jersey JE2 3QA

DIVIDENDS AND TEN YEAR FINANCIAL RECORD

Dividends

	Rate	Ex-dividend date	Record date	Payment date
First interim 2023	2.50p	27 April 2023	28 April 2023	23 May 2023
Second interim 2023	2.50p	27 July 2023	28 July 2023	25 August 2023
Third interim 2023	2.50p	26 October 2023	27 October 2023	24 November 2023
Fourth interim 2023	4.25p	25 January 2024	26 January 2024	23 February 2024
2023	**11.75p**			
First interim 2022	2.30p	21 April 2022	22 April 2022	23 May 2022
Second interim 2022	2.30p	28 July 2022	29 July 2022	22 August 2022
Third interim 2022	2.30p	27 October 2022	28 October 2022	18 November 2022
Fourth interim 2022	3.10p	19 January 2023	20 January 2023	17 February 2023
2022	**10.00p**			

Ten Year Financial Record

Year to 31 December	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**
Total revenue (£'000)	19,333	21,216	20,947	21,758	21,056	20,996	16,942	20,198	21,841	24,021
Per Ordinary share (p)										
Revenue return	8.24	9.11	9.15	9.58	9.25	9.42	7.41	8.95	10.23	11.97
Total return	14.17	(18.86)	49.12	33.14	(13.17)	22.29	27.10	25.88	(10.01)	5.18
Dividends payable	8.00	8.50	8.75	9.00	9.15	9.25	9.30	9.50	10.00	11.75
Net asset value per Ordinary share (p)	197.84	170.58	211.82	235.63	213.96	227.15	245.40	262.76	243.44	238.59
Share price per Ordinary share (p)	199.88	159.00	194.25	218.00	195.75	214.00	228.50	231.00	215.00	208.00
Equity shareholders' funds (£'000)	384,868	329,432	396,028	431,869	382,199	403,403	431,476	450,790	413,447	398,868

INVESTMENT PORTFOLIO

As at 31 December 2023

Company	Country	Valuation 2023 £'000	Total assets [A] %	Valuation 2022 [B] £'000
Taiwan Semiconductor Manufacturing Company	Taiwan	35,371	8.2	26,538
Samsung Electronics (Pref)	South Korea	28,170	6.6	21,308
BHP	Australia	19,340	4.5	18,860
DBS	Singapore	15,260	3.5	19,925
Oversea-Chinese Banking Corporation	Singapore	14,088	3.3	14,722
MediaTek	Taiwan	13,062	3.0	2,789
Power Grid Corp	India	12,056	2.8	9,803
Venture Corporation	Singapore	11,147	2.6	14,555
United Overseas Bank	Singapore	10,807	2.5	11,688
Rio Tinto [C]	Australia	10,516	2.4	11,480
Top ten investments		**169,817**	**39.4**	
Taiwan Mobile	Taiwan	9,963	2.3	10,126
Centuria Industries REIT	Australia	9,219	2.1	6,702
LG Chem (Pref)	South Korea	8,975	2.1	11,477
AIA	Hong Kong	8,730	2.0	10,789
China Resources Land	China	8,704	2.0	11,804
Spark New Zealand	New Zealand	8,188	1.9	8,705
Keppel Infrastructure Trust	Singapore	7,960	1.8	8,534
Sunonwealth Electric Machine	Taiwan	7,603	1.8	4,967
Accton Technology	Taiwan	7,365	1.7	5,182
Charter Hall Long Wale REIT	Australia	7,153	1.7	8,035
Top twenty investments		**253,677**	**58.8**	
Tisco Financial Group Foreign	Thailand	7,055	1.6	8,064
Auckland International Airport	New Zealand	6,736	1.6	6,492
Singapore Technologies Engineering	Singapore	6,582	1.5	5,923
Region RE	Australia	6,569	1.5	7,874
Infosys	India	6,442	1.5	6,715
Commonwealth Bank of Australia	Australia	6,396	1.5	8,356
Capitaland India Trust	Singapore	6,129	1.4	5,006
Hana Microelectronics (Foreign)	Thailand	5,691	1.3	5,776
Hong Kong Exchanges & Clearing	Hong Kong	5,465	1.3	6,461
Midea Group 'A'	China	5,252	1.2	4,187
Top thirty investments		**315,994**	**73.2**	
GlobalWafers	Taiwan	5,221	1.2	4,024
ASX	Australia	5,219	1.2	5,898
SAIC Motor 'A'	China	5,013	1.2	5,599
Tata Consultancy Services	India	4,979	1.2	4,550
Capitaland Investment	Singapore	4,947	1.2	6,040
National Australia Bank	Australia	4,903	1.1	9,073
Siam Cement [D]	Thailand	4,864	1.1	5,696
Momo.com Inc	Taiwan	4,862	1.1	7,242

SITC International	Hong Kong	4,662	1.1	–
Hang Lung Properties	Hong Kong	4,479	1.0	6,685
Top forty investments		**365,143**	**84.6**	
Hon Hai Precision Industry	Taiwan	4,442	1.0	8,441
Singapore Telecommunications	Singapore	4,333	1.0	7,926
NZX	New Zealand	4,278	1.0	4,871
Bank Mandiri	India	4,251	1.0	–
Telstra Corporation	Australia	4,207	1.0	–
Amada Co	Japan	4,197	1.0	3,344
Lotus's Retail Growth Freehold And Leasehold Property Fund (Foreign)	Thailand	4,186	1.0	4,142
AKR Corporindo	Indonesia	4,119	1.0	–
Tencent	Hong Kong	4,088	0.9	–
Taiwan Union Technology	Taiwan	3,768	0.9	1,627
Top fifty investments		**407,012**	**94.4**	
Autohome Inc – ADR	Hong Kong	3,609	0.8	–
ICICI Bank [E]	India	3,321	0.8	3,596
Land & Houses Foreign	Thailand	3,263	0.8	4,166
Dah Sing Financial	Hong Kong	3,134	0.7	3,755
Digital Core REIT	Singapore	2,866	0.7	2,590
Convenience Retail Asia	Hong Kong	2,746	0.6	3,425
AEM	Singapore	2,058	0.5	2,120
China Resources Gas	China	1,627	0.4	1,975
Top sixty investments		**429,636**	**99.7**	
G3 Exploration [E]	China	–	–	–
Total value of investments		**429,636**	**99.7**	
Net current assets [F]		**1,355**	**0.3**	
Total assets [A]		**430,991**	**100.0**	

[A] Net assets excluding borrowings.

[B] Purchases and/or sales effected during the year may result in 2023 and 2022 values not being directly comparable.

[C] Incorporated in and listing held in United Kingdom.

[D] Holding includes investment in common (£3,252,000) and non-voting depositary receipt (£1,612,000) lines.

[E] Corporate bonds.

[F] Excludes bank loans of £32,123,000

DIRECTORS' REPORT (EXTRACT)

Introduction

The Directors present their Report and the audited financial statements for the year ended 31 December 2023.

Results and Dividends

The financial statements for the year ended 31 December 2023 are contained below. The Company's dividend policy is to pay interim dividends on a quarterly basis and for the year to 31 December 2023 dividends were paid on 23 May, 25 August and 24 November 2023 and 23 February 2024. As at 31 December 2023 the Company's revenue reserves (adjusted for the payment of the fourth interim dividend) amounted to £7.7 million (approximately 4.6p per Ordinary share).

Status

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

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

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

Individual Savings Accounts

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

Capital Structure, Issuance and Buybacks

The Company's capital structure is summarised in note 15 to the financial statements. At 31 December 2023, there were 167,178,707 fully paid Ordinary shares of no par value (2022 – 169,832,401) Ordinary shares in issue. At the year end there were 27,754,682 Ordinary shares held in treasury (2022 – 25,100,988).

During the year 2,653,694 Ordinary shares were purchased in the market for treasury (2022 - 1,726,495) and no Ordinary shares were issued or sold from treasury.

Subsequent to the year end 2,433,079 Ordinary shares have been purchased in the market at a discount for treasury.

Voting Rights

Each Ordinary share holds one voting right and shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares, excluding treasury shares, carry a right to receive dividends. On a winding up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings. There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may be applied from time to time by law.

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

Management and Company Secretarial Arrangements
During the year, the Board was advised by the abrdn Group of the proposed sale of its discretionary fund management business in Jersey, which had previously provided a Jersey regulatory function to the Company; abrdn Capital International Limited ("aCIL") was the Company's Manager and Company Secretary, and the investment management of the Company was delegated from aCIL to abrdn Asia Limited, aCIL and abrdn Asia Limited both being wholly owned subsidiaries of abrdn plc.

Consequently, with effect from 15 August 2023, pursuant to a new management agreement between the Company and the abrdn Group:

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

In addition, from 15 August 2023, the Company appointed JTC Fund Solutions (Jersey) Limited ("JTC") under an administration agreement between JTC and the Company to provide certain Jersey based services including, but not limited to Jersey administration services and compliance with applicable Jersey codes (including provision of a compliance officer, money laundering reporting officer and money laundering compliance officer). JTC also provide a registered office and company secretarial services.

There were no changes to the management fee as a result of the above changes and the administration fee charged by JTC is met by the abrdn Group.

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

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

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

The table below sets out the interests in 3% or more of the issued share capital of the Company, of which the Board was aware as of 31 December 2023.

Shareholder	No of Shares Held	% held
1607 Capital Partners	18,104,785	10.8
Interactive Investor	18,047,129	10.8
Rathbones	13,917,647	8.3
Hargreaves Lansdown	13,891,562	8.3
City of London Investment Management	13,031,927	7.8
Allspring Global Investments	6,846,023	4.1
RBC Brewin Dolphin	5,821,713	3.5
AJ Bell	5,569,716	3.3
Charles Stanley	5,444,235	3.3

There have been no changes notified to the Company since the end of the year.

Directors

The Board currently consists of five non-executive Directors, Robert Kirkby, Mark Florance, Ian Cadby, Nicky McCabe and Krystyna Nowak who each held office throughout the year. Hugh Young retired as a Director at the Annual General Meeting ("AGM") on 10 May 2023.

Governance

In accordance with the AIC's Code of Corporate Governance, which recommends that all Directors should be subject to annual re-election by shareholders, all members of the Board will retire at the AGM and will offer themselves for re-election.

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

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

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow it to fulfil its obligations. The Board also recognises the benefits, and is supportive of, the principle of diversity in its recruitment of new Board members, including diversity of thought, location and background. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. In view of its size, the Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. In doing so, the Board will take account of the targets set out in the FCA's Listing Rules, which are set out below.

The Board has resolved that the Company's year-end date is the most appropriate date for disclosure purposes. In addition to the information contained below, of the five Directors at 31 December 2023, one is based in Singapore, two are based in Jersey and two are based in the UK.

Table for reporting on gender as at 31 December 2023

	Number of Board Members	Percentage of the Board	Number of senior positions on the

			Board (note3)
Men	3	60%	2
Women	2	40% (note 1)	1
Not specified/ prefer not to say	-		-

Table for reporting on ethnic background as at 31 December 2023

	Number of Board Members	Percentage of the Board	Number of senior positions on the Board (note3)
White British or other White (including minority-white groups)	5	100%	3
Minority ethnic	-	(note 2)	-
Not specified/prefer not to say	–	–	–

Notes:

1. Meets target that at least 40% of Directors are women as set out in LR 9.8.6R (9)(a)(i).

2. Does not meet target that at least one Director is from a minority ethnic background as set out in LR 9.8.6R (9)(a)(iii).

3. The Company is externally managed and does not have any executive staff. Specifically, it does not have either a CEO or CFO. The Company considers that the roles of Chairman of the Board, Senior Independent Director and Chairman of the Audit Committee are senior Board positions. Accordingly, the Company meets the requirement of LR 9.8.6R (9)(a)(ii) that at least one senior Board position is held by a woman.

As shown in the above table, the Company has not as yet met the target set out in LR 9.8.6R (9)(a)(iii) that at least one Director is from a minority ethnic background. The Board short listed and interviewed ethnically diverse candidates as part of its current recruitment process as set out in the Chairman's Statement, and will continue to take ethnic diversity into account for future appointments.

Policy on Tenure

In normal circumstances, it is the Board's expectation that Directors will not serve beyond the Annual General Meeting following the ninth anniversary of their appointment. However, the Board takes the view that independence of individual Directors is not necessarily compromised by length of tenure on the Board and that continuity and experience can add significantly to the Board's strength. The Board believes that recommendation for re-election should be on an individual basis following a rigorous review which assesses the contribution made by the Director concerned, but also taking into account the need for managed succession and diversity.

It is the Board's policy that the Chairman of the Board will not serve as a Director beyond the Annual General Meeting following the ninth anniversary of his or her appointment to the Board. However, this may be extended in exceptional circumstances or to facilitate effective succession planning and the development of a diverse Board. In such a situation the reasons for the extension will be fully explained to shareholders and a timetable for the departure of the Chairman clearly set out.

Corporate Governance

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

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

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

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

The UK Code includes provisions relating to:

- interaction with the workforce (provisions 2, 5 and 6);
- the role and responsibility of the chief executive (provisions 9 and 14);
- previous experience of the chairman of a remuneration committee (provision 32); and
- executive directors' remuneration (provisions 33 and 36 to 40).

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

Full details of the Company's compliance with the AIC Code of Corporate Governance can be found on its website.

Directors attended the following scheduled Board and Committee meetings during the year ended 31 December 2023 (with their eligibility to attend the relevant meeting in brackets):

	Board	Audit	MEC	Nom
Total Meetings	**4**	**2**	**1**	**1**
I Cadby [A]	4 (4)	2 (2)	1 (1)	1 (1)
M Florance	4 (4)	2 (2)	1 (1)	1 (1)
R Kirkby	4 (4)	2 (2)	1 (1)	1 (1)
N McCabe	4 (4)	2 (2)	1 (1)	1 (1)
K Nowak	4 (4)	2 (2)	1 (1)	1 (1)
H Young B	2 (2)	n/a	n/a	1 (1)

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

[B] Mr Young was not a member of the Audit or Management Engagement Committees.

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

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

The Role of the Chairman and Senior Independent Director
The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution, and encourages active engagement, by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman leads the evaluation of the Board and individual Directors, and acts upon the results of the evaluation process by recognising strengths and addressing any weaknesses. The Chairman also engages with major shareholders and ensures that all Directors understand shareholder views.

The Senior Independent Director acts as a sounding board for the Chairman and acts as an intermediary for other Directors, when necessary. Working closely with the Nomination and Remuneration Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chairman, and leads the annual appraisal of the Chairman's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

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

No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 20 to the financial statements. Other than Mr Young, who retired as a Director during the year, no other Directors had any interest in contracts with the Company during the period or subsequently.

The Company has a policy of conducting its business in an honest and ethical manner. The Company takes a zero tolerance approach to bribery and corruption and has procedures in place that are proportionate to the Company's circumstances to prevent them. The abrdn Group also adopts a group-wide zero tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. Copies of the abrdn Group's anti-bribery and corruption policies are available on its website: **abrdn.com.**

Going Concern
The Directors have undertaken a robust review of the Company's viability and ability to continue as a going concern. The Company's assets consist primarily of a diverse portfolio of listed equity shares which in most circumstances are realisable within a very short timescale.

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

Since the year end, the Company has renewed its revolving credit facility with a £50 million loan for one year with the Bank of Nova Scotia, London Branch, its existing lender. In the event that it is not possible to renew the loan in March 2025, the Board considers that there is sufficient portfolio liquidity to enable the loan to be repaid.

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

Accountability and Audit

Each Director confirms that, so far as he or she is aware, there is no relevant audit information of which the Company's Auditor is unaware, and he or she has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor

Shareholders approved the re-appointment of KPMG Channel Islands Limited as independent Auditor at the AGM held on 10 May 2023 and a resolution to re-appoint KPMG Channel Islands Limited as the Company's Auditor and to authorise the Directors to fix the Auditor's remuneration will be put to shareholders at the AGM to be held on 8 May 2024.

Principal Risks and Internal Control

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

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

The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management. The Board has prepared its own risk register which identifies potential risks. The Board considers the potential cause and possible impact of these risks as well as reviewing the controls in place to mitigate these potential risks. A risk is rated by having a likelihood and an impact rating and the residual risk is plotted on a "heat map" and is reviewed regularly.

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

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

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

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

- the Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Investment Manager have agreed clearly defined investment criteria;
- there are specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board. The Investment Manager's investment process and financial analysis of the companies concerned include detailed appraisal and due diligence;
- written agreements are in place which specifically define the roles and responsibilities of the Investment Manager and other third-party service providers and the Audit Committee reviews, where relevant, ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations. The Board has reviewed the exceptions arising from the abrdn Group's Investment Vector ISAE3402 for the year to 30 September 2023, none of which were judged to be of direct relevance to the Company;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the abrdn Group, has decided to place reliance on the abrdn Group's systems and internal audit procedures; and
- twice a year, at its meetings, the Audit Committee carries out an assessment of internal controls by considering documentation from the Investment Manager, including its internal audit and compliance functions and taking account of events since the relevant period end.

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

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

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

The UK Stewardship Code and Proxy Voting
Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Investment Manager.

abrdn plc is a 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 and the long-term investment return to shareholders.

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

The Notice of the AGM included within the Annual Report and financial statements is ordinarily sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board or Investment Manager, either formally at the Company's AGM or informally following the meeting. As explained in the Chairman's Statement, the Company will hold an online shareholder presentation in advance of the AGM this year, which will include an interactive question and answer session.

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

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

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

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

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

Annual General Meeting
The AGM will be held at 10:30 a.m. on 8 May 2024 at 18 Bishops Square, London E1 6EG.

Ian Cadby
Chairman
26 March 2024

28 Esplanade St Helier
Jersey JE2 3QA

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with International Financial Reporting Standards as issued by the IASB and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of its profit or loss for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies (Jersey) Law 1991. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

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

Responsibility Statement of the Directors in Respect of the Annual Financial Report
The Directors confirm that to the best of their knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic Report and Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

The Directors consider the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Ian Cadby
Chairman
26 March 2024

28 Esplanade St Helier
Jersey JE2 3QA

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

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December 2023			Year ended 31 December 2022		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Investment income	4						
Dividend income		23,558	32	23,590	21,423	–	21,423
Interest income		459	–	459	371	–	371
Stock lending income		4	–	4	–	–	-
Traded option premiums		–	–	–	47	–	47
Total revenue	3	24,021	32	24,053	21,841	–	21,841
Losses on investments held at fair value through profit or loss	11	–	(8,457)	(8,457)	–	(29,033)	(29,033)
Net currency gains/(losses)		–	701	701	–	(3,204)	(3,204)
		24,021	(7,724)	16,297	21,841	(32,237)	(10,396)
Expenses							
Investment management fee	5	(1,216)	(1,825)	(3,041)	(1,308)	(1,962)	(3,270)
Other operating expenses	6	(867)	–	(867)	(939)	–	(939)
Profit/(loss) before finance costs and tax		21,938	(9,549)	12,389	19,594	(34,199)	(14,605)
Finance costs	7	(810)	(1,215)	(2,025)	(470)	(704)	(1,174)
Profit/(loss) before tax		21,128	(10,764)	10,364	19,124	(34,903)	(15,779)
Tax expense	2d, 8	(934)	(686)	(1,620)	(1,695)	408	(1,287)
Profit/(loss) for the year		**20,194**	**(11,450)**	**8,744**	**17,429**	**(34,495)**	**(17,066)**
Earnings per Ordinary share (pence)	10	**11.97**	**(6.79)**	**5.18**	**10.23**	**(20.24)**	**(10.01)**

The Company does not have any income or expense that is not included in profit/(loss) for the year, and therefore the "Profit/(loss) for the year" is also the "Total comprehensive income for the year".
All of the profit/(loss) and total comprehensive income is attributable to the equity holders of abrdn Asian Income Fund Limited. There are no non-controlling interests.
The total column of this statement represents the Statement of Comprehensive Income of the Company, prepared in accordance with IFRS. The revenue and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

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

BALANCE SHEET

	Notes	As at 31 December 2023 £'000	As at 31 December 2022 £'000
Non-current assets			
Investments held at fair value through profit or loss	11	429,636	448,323
Current assets			
Cash and cash equivalents		1,560	7,328
Other receivables	12	2,913	1,175
		4,473	8,503
Creditors: amounts falling due within one year			
Bank loans	13(a)	(32,123)	(30,986)
Other payables	13(b)	(1,503)	(1,288)
		(33,626)	(32,274)
Net current liabilities		(29,153)	(23,771)
Total assets less current liabilities		400,483	424,552
Creditors: amounts falling due after more than one year			
Bank loans	13(a)	-	(9,981)
Deferred tax liability on Indian capital gains	13(c)	(1,615)	(1,124)
		(1,615)	(11,105)
Net assets		**398,868**	**413,447**
Stated capital and reserves			
Stated capital	15	194,933	194,933
Capital redemption reserve		1,560	1,560
Capital reserve	16	187,549	204,414
Revenue reserve		14,826	12,540
Equity shareholders' funds		**398,868**	**413,447**
Net asset value per Ordinary share (pence)	17	**238.59**	**243.44**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

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

For the year ended 31 December 2022

	Note	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Retained earnings £'000	Total £'000
Opening balance		194,933	1,560	242,727	11,570	–	450,790
Buyback of Ordinary shares for treasury	15	–	–	(3,818)	–	–	(3,818)
Loss for the year		–	–	–	–	(17,066)	(17,066)
Transferred from retained earnings to capital reserve [A]		–	–	(34,495)	–	34,495	-
Transferred from retained earnings to revenue reserve		–	–	–	17,429	(17,429)	-
Dividends paid	9	–	–	–	(16,459)	–	(16,459)
Balance at 31 December 2022		**194,933**	**1,560**	**204,414**	**12,540**	**-**	**413,447**

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

The revenue reserve represents the amount of the Company's reserves distributable by way of dividend.
The stated capital in accordance with Companies (Jersey) Law 1991 Article 39A is £260,822,000 (2022 - £260,822,000). These amounts include proceeds arising from the issue of shares by the Company but exclude the cost of shares purchased for cancellation or treasury by the Company.

CASH FLOW STATEMENT

	Notes	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Cash flows from operating activities			
Dividend income received		23,293	21,140
Interest income received		481	354
Derivative income received		–	47
Investment management fee paid		(2,734)	(5,169)
Return of capital included in investment income		32	–
Other cash expenses		(940)	(801)
Net cash generated from operating activities before interest paid and tax		20,132	15,571
Interest paid		(2,115)	(1,041)
Overseas taxation paid		(1,980)	(1,712)
Net cash inflows from operating activities		16,037	12,818
Cash flows from investing activities			
Purchases of investments		(142,128)	(55,017)
Sales of investments		152,001	75,625
Indian capital gains tax on sales		(195)	(83)
Net cash inflow from investing activities		9,678	20,525
Cash flows from financing activities			
Purchase of own shares for treasury	15	(5,415)	(3,818)
Dividends paid	9	(17,908)	(16,459)
Repayment of loans		(8,000)	(8,948)
Net cash outflow from financing activities		(31,323)	(29,225)
Net (decrease)/increase in cash and cash equivalents		(5,608)	4,118
Cash and cash equivalents at the start of the year		7,328	3,268
Effect of foreign exchange on cash and cash equivalents		(160)	(58)
Cash and cash equivalents at the end of the year	2(f)	**1,560**	**7,328**

Non-cash transactions during the year comprised stock dividends of £390,000 (2022 - £616,000) (Note 4).

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1. **Principal activity**

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

2. **Accounting policies**

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

The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP), 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in April 2021 to the extent they are consistent with IFRS.

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

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

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

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

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2023.

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

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

At the date of authorisation of these financial statements, the following amendments to Standards and Interpretations were assessed to be relevant and are all effective for annual periods beginning on or after 1 January 2023:

Standards Issued and effective

IAS 1 Amendments - Disclosure of Accounting Policies (effective from 1 January 2023)

IAS 8 Amendments - Definition of Accounting Estimates (effective from 1 January 2023)

IAS 12 Amendments (Deferred Tax and OECD Pillar 2 Taxes)(effective from 1 January 2023)

Future amendments to accounting standards and interpretations

Standards Issued but not yet effective

IAS 1 Amendments - Classification of Liabilities as Current or Non-Current (effective from 1 January 2024)

IAS 1 Amendments - Non-current Liabilities with Covenants (effective from 1 January 2024)

IFRS S1 - General requirements for disclosure of sustainability-related financial information (effective from 1 January 2024)

IFRS S2 - Climate-related disclosures (effective from 1 January 2024)

The Company intends to adopt the Standards and Interpretations in the reporting period when they become effective and the Board does not anticipate that the adoption of these Standards and Interpretations in future periods will materially impact the Company's financial results in the period of initial application although there may be revised presentations to the Financial Statements and additional disclosures.

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

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

(c) **Expenses.** All expenses, with the exception of interest expenses, which are recognised using the effective interest method, are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital and separately identified and disclosed in note 11;

- expenses (including share issue costs) are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated; and

- the Company charges 60% of investment management fees and finance costs to capital, in accordance with the Board's expected long term return in the form of capital gains and income respectively from the investment portfolio of the Company.

(d) **Taxation.** With effect from 1 January 2022 the Company migrated tax residency to the UK from Jersey and elected to join the UK's investment trust regime.

The tax expense for year ended 31 December 2023 represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Balance Sheet date.

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

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

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

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

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

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

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

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

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

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

(h) **Other payables.** The Company has adopted the simplified approach under IFRS9 which allows entities to recognise lifetime expected losses on all these assets without the need to identify significant increases in credit risk. Other payables are non interest bearing and are stated at amortised cost.

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

(j) **Nature and purpose of reserves**

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

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

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

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 is the principal reserve which is utilised to fund dividend payments to shareholders.

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

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

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

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

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

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

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

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

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

3. **Segmental information**

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

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

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Asia Pacific region	23,069	20,571
United Kingdom	952	1,270
	24,021	**21,841**

4. **Investment income**

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Income from investments		
Overseas dividend income	22,398	19,600
UK dividend income	770	1,207
Stock dividend income	390	616
	23,558	21,423
Other income		
Bond interest	277	308
Deposit interest	182	63
Stock lending income	4	-
Traded option premiums	-	47
	463	418
Total revenue	**24,021**	**21,841**

During the year, the Company was entitled to premiums totalling £nil (2022 - £47,000) in exchange for entering into option contracts. At the year end there were no (2022 - nil) open positions. Losses realised on the exercise of derivative transactions are disclosed in note 11.

5. **Investment management**

fee

	Year ended 31 December 2023			Year ended 31 December 2022		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Investment management fee	**1,216**	**1,825**	**3,041**	**1,308**	**1,962**	**3,270**

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

During the year, the investment management fee was payable quarterly in arrears and is based on an annual fee of 0.8% of the average net assets of the previous six months up to £350 million and 0.6% per annum thereafter. The balance due to abrdn Asia at the year end was £1,093,000 (2022 - £786,000). The investment management fee is charged 40% to revenue and 60% to capital in line with the Board's expected long term returns.

Since the year end, the Board has reported a reduction in the investment management fee, details of which are contained in the Chairman's Statement.

6. Other operating expenses

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Directors' fees	175	164
Promotional activities [A]	200	206
Auditor's remuneration:		
- statutory audit	57	52
- disbursements	2	1
Custody fees	98	143
Printing & postage	36	32
Professional fees	56	84
Registrars fees	58	52
Other	185	205
	867	**939**

[A] Promotional activities are provided by abrdn Investments Limited. The total fees paid are based on an annual rate of £193,000 from 1 July 2023 (2022 - £206,000). An amount of £48,000 (2022 - £103,000) was payable to abrdn Investments Limited at the year end.

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

7. Finance costs

	Year ended 31 December 2023			Year ended 31 December 2022		
	Revenue £'000	**Capital £'000**	**Total £'000**	**Revenue £'000**	**Capital £'000**	**Total £'000**
Interest on bank loans	804	1,205	2,009	464	694	1,158
Amortisation of loan arrangement expenses	6	10	16	6	10	16
	810	**1,215**	**2,025**	**470**	**704**	**1,174**

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

8. Taxation

a) Analysis of tax charge in the year

	2023			2022		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Indian capital gains tax	–	195	195	–	34	34
Overseas withholding tax	934	–	934	1,695	50	1,745
Total current tax charge for the year (note b)	**934**	**195**	**1,129**	**1,695**	**84**	**1,779**
Movement of deferred tax liability on Indian CGT	–	491	491	–	(492)	(492)
Total deferred tax charge for the year (note c)	**-**	**491**	**491**	**-**	**(492)**	**(492)**
Total tax charge for the year	**934**	**686**	**1,620**	**1,695**	**(408)**	**1,287**

b) The UK corporation tax rate was 19% until 31 March 2023 and 25% from 1 April 2023, giving an effective rate of 23.5% (2022 - 19%). The tax charge for the year differs from the corporation tax rate.

	2023			2022		
	Revenue £000	Capital £000	Total £000	Revenue £000	Capital £000	Total £000
Net profit/(loss) before taxation	21,128	(10,764)	10,364	19,124	(34,903)	(15,779)
Corporation tax @ 23.5% (2022 - 19%)	4,965	(2,529)	2,436	3,633	(6,631)	(2,998)
Effects of:			–			–
UK dividends	(181)	–	(181)	(229)	–	(229)
Non-taxable overseas dividends	(4,700)	–	(4,700)	(3,315)	–	(3,315)
Other Non-taxable overseas dividends	–	(8)	(8)		–	–
Currency gains/losses	–	(805)	(805)	–	609	609
Realised/unrealised gains/losses on investments	–	2,627	2,627	–	5,516	5,516
Expenses not deductible for tax purposes	2	–	2	10	–	10
Excess management expenses	(53)	715	662	(71)	507	436
Tax effect of expensed double taxation relief	(33)	–	(33)	(28)	–	(28)
Irrecoverable overseas withholding tax	934	–	934	1,695	49	1,744
Indian capital gains tax	–	195	195	–	34	34
Movement of deferred tax liability on Indian CGT	–	491	491	–	(492)	(492)
Total current tax charge for the year (note a)	**934**	**686**	**1,620**	**1,695**	**(408)**	**1,287**

c) Factors that may affect future tax charges

At the year end, after offset against income taxable on receipt, there is a potential deferred tax asset of £1,276,000 (2022 - £573,000) in relation to surplus management expenses. It is unlikely that the fund will generate sufficient taxable profits in the future to utilise these amounts and therefore no deferred tax asset has been recognised.

9. Dividends on Ordinary shares

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Amounts recognised as distributions to equity holders in the year:		
Fourth interim dividend 2022 - 3.10p per Ordinary share (2021 - 2.75p)	5,263	4,712
First interim dividend 2023 - 2.50p per Ordinary share (2022 - 2.30p)	4,227	3,924
Second interim dividend 2023 - 2.50p per Ordinary share (2022 - 2.30p)	4,216	3,915
Third interim dividend 2023 - 2.50p per Ordinary share (2022 - 2.30p)	4,202	3,908
	17,908	**16,459**

Following the change of tax residency on 1 January 2022, the Company needs to comply with the UK investment trust retention test to satisfy s.1158 of the Corporation Tax Act 2010. The total dividends payable in respect of the financial year which form the basis of s.1158 of the Corporation Tax Act 2010 are set out below.

The table below sets out the total dividends declared in respect of the financial year. The revenue available for distribution by way of dividend for the year is £20,194,000 (2022 - £17,429,000).

	2023 £'000	2022 £'000
First interim dividend 2023 - 2.50p per Ordinary share (2022 - 2.30p)	4,227	3,924
Second interim dividend 2023 - 2.50p per Ordinary share (2022 - 2.30p)	4,216	3,915
Third interim dividend 2023 - 2.50p per Ordinary share (2022 - 2.30p)	4,202	3,908
Fourth interim dividend 2023 - 4.25p per Ordinary share (2022 - 3.10p)	7,105	5,263
	19,750	**17,010**

The fourth interim dividend for 2023, amounting to £7,105,000 (2022 - fourth interim dividend of £5,263,000), is not recognised as a liability in these financial statements as it was announced and paid after 31 December 2023.

10. Earnings per share

Ordinary shares. The earnings per Ordinary share is based on the profit after taxation of £8,702,000 (2022 - loss £17,066,000) and on 168,693,861 (2022 - 170,411,839) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year excluding Ordinary shares held in treasury, which do not carry the rights to vote or to dividends.

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

	Year ended 31 December 2023 Revenue	Capital	Total	Year ended 31 December 2022 Revenue	Capital	Total
Net profit/(loss) (£'000)	20,194	(11,450)	8,744	17,429	(34,495)	(17,066)
Weighted average number of Ordinary shares in issue [A]			168,693,861			170,411,839
Return per Ordinary share (pence)	11.97	(6.79)	5.18	10.23	(20.24)	(10.01)

[A] Calculated excluding Ordinary shares held in treasury.

11. Investments held at fair value through profit or loss

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Opening book cost	346,553	346,679
Opening investment holding gains	101,770	150,691
Opening fair value	448,323	497,370
Analysis of transactions made during the year		
Purchases at cost	142,526	55,611
Sales proceeds received	(152,756)	(75,625)
(Losses) on investments [A]	(8,457)	(29,033)
Closing fair value	**429,636**	**448,323**

	£'000	£'000
Closing book cost	339,747	346,553
Closing investment gains	89,889	101,770
Closing fair value	**429,636**	**448,323**

[A] Includes losses realised on the exercise of traded options of £nil (2022 - £nil) which are reflected in the capital column of the Statement of Comprehensive Income in accordance with accounting policy 2(n). Premiums received from traded options totalled £nil (2022 - £47,000) per note 4.

The Company generated £152,756,000 (2022 - £75,625,000) from investments sold in the year. The book cost of these investments when they were purchased was £149,332,000 (2022 - £55,736,000). 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.

The portfolio valuation	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Listed on recognised stock exchanges:		
Equities - overseas	426,315	444,727
Bonds - overseas	3,321	3,596
Total	**429,636**	**448,323**

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

	Year ended 31 December 2023 £'000	Year ended 31 December 2022 £'000
Purchases	120	50
Sales	209	88
	329	**138**

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

12. Debtors: amounts falling due within one year

	2023 £'000	2022 £'000
Prepayments and accrued income	**2,913**	**1,175**

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

13. Creditors: amounts falling due within one year

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

	2023			2022		
	Interest rate %	Local currency principal amount	Carrying amount £'000	Interest rate %	Local currency principal amount	Carrying amount £'000
Unsecured bank loans repayable						
Hong Kong Dollar	6.609	73,500,000	7,384	6.311	73,500,000	7,829
United States Dollar	6.634	8,850,000	6,942	5.175	8,850,000	7,357
Sterling	6.420	7,800,000	7,800	4.190	15,800,000	15,800
Sterling	1.530	10,000,000	9,997	1.530	10,000,000	9,981
Total			**32,123**			**40,967**

During the year, the Company had a £40 million multi currency revolving loan facility agreement with Bank of Nova Scotia, London Branch. The Company also had a three year loan of £10 million with Bank of Nova Scotia, London Branch at a fixed interest rate of 1.53%. Both facilities matured on 1 March 2024. Financial covenants contained within the relevant loan agreements provided, inter alia, that the Company's NAV shall at no time be less than £185 million and that adjusted NAV coverage shall at no time be less than 4.0 to 1.0. At 31 December 2023 adjusted NAV coverage was 12.4 to 1.0 based on borrowings of £32,123,000 and net assets were £398,872,000. The Company has complied with all financial covenants throughout the year.

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

At the date of signing this report, loans of HKD 73,500,000, US$ 8,850,000 and £17,800,000 were drawn down at variable interest rates of 5.471%, 6.31% and 6.188% respectively.

During December 2022, the Company highlighted to the Bank that it had notified the Jersey Financial Services Commission (Jersey Regulator) of remediation work to be undertaken in relation to maintaining up to date records of shareholders' identity documents as required under the Jersey laws and regulations. The remediation work related to less than 1% of long standing shareholders. The Bank considered this event as a technical loan covenant breach. Subsequent to the year end, the Bank has provided the Company with a waiver of its relevant covenant in this regard and it was therefore no longer considered to be in breach.

		2023	2022
(b)	**Other payables**	**£'000**	**£'000**
	Investment management fees	1,093	786
	Other amounts due	410	502
		1,503	**1,288**

Amounts falling due in more than one year:

		2023	2022
		£'000	**£'000**
(c)	Deferred tax liability on Indian capital gains	**1,615**	**1,124**

14. Analysis of changes in financing during the year

	2023	2022
	£'000	**£'000**
Opening balance at 1 January	40,967	46,753
Net decrease in loan drawdown	(8,000)	(8,948)
Amortisation of loan arrangement expenses	16	16
Foreign exchange movements	(860)	3,146
Closing balance at 31 December	**32,123**	**40,967**

15. Stated capital

	Ordinary shares (number)	Treasury shares (number)	Total shares (number)	£'000
Authorised Ordinary shares of no par value	**Unlimited**	**Unlimited**	**Unlimited**	**Unlimited**
Issued and fully paid Ordinary shares of no par value				
At 31 December 2022	169,832,401	25,100,988	194,933,389	194,933
Shares purchased for treasury	(2,653,694)	2,653,694	-	-
At 31 December 2023	**167,178,707**	**27,754,682**	**194,933,389**	**194,933**

During the year 2,653,694 (2022 - 1,726,495) Ordinary shares were bought back by the Company for holding in treasury at a total cost of £5,415,000 (2022 - £3,818,000). At the year end 27,754,682 (2022 - 25,100,988) Ordinary shares were held in treasury, which represents 14.24% (2022 - 12.88%) of the

Company's total issued share capital at 31 December 2023.
For each Ordinary share issued £1 is allocated to stated capital, with the balance taken to the capital reserve.
The Ordinary shares give shareholders the entitlement to all of the capital growth in the Company's assets and to all the income from the Company that is resolved to be distributed.
Since the year end a further 2,433,079 Ordinary shares have been bought back for holding in treasury at a cost of £4,920,581.
Voting and other rights. In accordance with the Articles of Association of the Company, on a show of hands, every member (or duly appointed proxy) present at a general meeting of the Company has one vote; and, on a poll, every member present in person or by proxy shall have one vote for each Ordinary share held, excluding shares held in treasury.
The Ordinary shares carry the right to receive all dividends declared by the Company or the Directors, excluding shares held in treasury.
On a winding-up, provided the Company has satisfied all of its liabilities, holders of Ordinary shares are entitled to all of the surplus assets of the Company, excluding shares held in treasury.

16. Capital reserve

	2023 £'000	2022 £'000
At 1 January	204,414	242,727
Net currency profit/(losses){A}	701	(3,204)
Overseas dividend capital	32	-
Movement in unrealised fair value	(11,881)	(48,921)
Profit on realisation of investments	3,424	19,888
Costs charged to capital	(3,726)	(2,258)
Buyback of Ordinary shares for treasury	(5,415)	(3,818)
At 31 December	**187,549**	**204,414**

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

17. Net asset value per share

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

	Net asset value per share 2023 p	Net asset values attributable 2023 £'000	Net asset value per share 2022 p	Net asset values attributable 2022 £'000
Ordinary shares	**238.59**	**398,868**	**243.44**	**413,447**

The net asset value per Ordinary share is based on 167,178,707 (2022 - 169,832,401) Ordinary shares, being the number of Ordinary shares in issue at the year end excluding Ordinary shares held in treasury.

18. Financial instruments

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

The Company also has the ability to enter into derivative transactions, in the form of traded options, for the purpose of enhancing income returns and portfolio management. During the year, the Company entered into certain derivative contracts. As disclosed in note 4, the premium received in respect of options written in the year was £nil (2022 – £47,000). Positions closed during the year realised a loss of £nil (2022 – £nil). A realised loss would result if the underlying price on exercise is higher than the exercise price for call options and lower than the exercise price for put options. The largest position in derivative contracts held during the year at any given time was £nil (2022 – £47,000). The Company had no open positions in derivative contracts at 31 December 2023 (2022 - none).

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

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

abrdn Asia is a fully integrated member of the abrdn plc Group (the "Group"), which provides a variety of services and support to abrdn Asia in the conduct of its business activities, including in the oversight of the risk management framework for the Company. abrdn Asia is responsible for the day to day administration of the investment policy and ensuring that the Company is managed within the terms of its investment guidelines and the limits set out in its pre-investment disclosures to investors (details of which can be found on the Company's website).

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

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

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

Risk management. The main risks arising from the Company's financial instruments are (i) market risk (comprising interest rate risk, currency risk and equity price risk), (ii) liquidity risk, (iii) credit risk and (iv) gearing risk.

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

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

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

- the fair value of the investments in fixed interest rate securities;

- the level of income receivable on cash deposits;
- the interest payable on the Company's variable rate borrowings.

Management of the risk

Financial assets. Although the majority of the Company's financial assets comprise equity shares which neither pay interest nor have a stated maturity date, at the year end the Company had two (2022 - two) holdings in fixed rate overseas corporate bonds, with G3 Exploration valued at £nil (2022 - £nil) and ICICI Bank at £3,321,000 (2022 - £3,596,000). Bond prices are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the Government's fiscal position, short-term interest rates and international market comparisons. The Investment Manager takes all these factors into account when making any investment decisions as well as considering the financial standing of the potential investee entity. G3 Exploration appointed joint liquidators during December 2019. Using an adjusted net asset value model the Board of Directors decided to write down the value of G3 Exploration to £nil due to concerns over liquidity, credit worthiness, exit opportunities and the timing of any potential receipts. There has been no change in carrying value during the year under review or as at the date of this Report.

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

Financial liabilities. The Company primarily finances its operations through use of equity, retained profits and bank borrowings. Details of the terms and conditions of the bank borrowings are disclosed in note 13. Interest is due on the Bank of Nova Scotia, London fixed term loan quarterly with the next interest payment being due on 1 March 2024. Interest is due on the Bank of Nova Scotia, London multi currency revolving loan facility on the maturity date, with the next interest payment being due on 18 January 2024 for HKD loan, GBP loan and USD loans.

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

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

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

Weighted

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

At 31 December 2022	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Floating rate £'000	Fixed rate £'000
Assets				
Indian Overseas Corporate Bond	1.60	9.15	–	3,596
Cash at bank – Sterling	–	–	7,277	–
Cash at bank – Australia Dollar	–	–	(203)	–
Cash at bank – Hong Kong Dollar	–	–	1	–
Cash at bank – Indian Rupee	–	–	(33)	–
Cash at bank – Taiwan Dollar	–	–	41	–
Cash at bank – Thai Baht	–	–	245	–
			7,328	**3,596**

At 31 December 2022	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Floating rate £'000	Fixed rate £'000
Liabilities				
Bank loan – Hong Kong Dollar	0.14	6.31	–	(7,829)
Bank loan – US Dollar	0.05	5.18	–	(7,357)
Bank loans – Sterling	0.05	4.19	–	(15,800)
Bank loans – Sterling	1.17	1.53	–	(9,981)
			-	**(40,967)**

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans is based on the interest rate payable, weighted by the total value of the loans.

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

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

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

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

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

The Directors have considered the potential impact of a 100 basis point movement in interest rates and concluded that it would not be material in the current year (2022 - not material). This consideration is based on the Company's exposure to interest rates on its floating rate cash balances, fixed interest securities and bank loans.

Foreign currency risk. A significant proportion of the Company's investment portfolio is invested in overseas securities and the Balance Sheet can be significantly affected by movements in foreign exchange rates. It is not the Company's policy to hedge this risk on a continuing basis. A significant proportion of the Company's borrowings, as detailed in note 13, is in foreign currency as at 31 December 2023.

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

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

	31 December 2023			31 December 2022		
	Equity investments £'000	**Net monetary assets /(liabilities) £'000**	**Total currency exposure £'000**	**Equity investments £'000**	**Net monetary assets /(liabilities) £'000**	**Total currency exposure £'000**
Australian Dollar	77,929	-	77,929	86,685	(203)	86,482
Chinese Renminbi	10,266	1	10,267	16,478	-	16,478
Hong Kong Dollar	43,636	(7,382)	36,254	50,622	(7,828)	42,794
Indian Rupee	23,477	1,639	25,116	21,100	3,563	24,663
Indonesian Rupiah	8,371	-	8,371	6,236	-	6,236
Japanese Yen	4,197	-	4,197	8,652	-	8,652
New Zealand Dollar	4,278	-	4,278	4,871	-	4,871
Singapore Dollar	83,310	-	83,310	96,438	-	96,438
South Korean Won	37,145	-	37,145	32,785	-	32,785
Taiwanese Dollar	91,657	40	91,697	74,450	41	74,491
Thailand Baht	25,059	-	25,059	32,372	245	32,617
US Dollar	6,474	(6,942)	(468)	2,590	(7,357)	(4,767)
Total	**415,799**	**(12,644)**	**403,155**	**433,279**	**(11,539)**	**421,740**

Foreign currency sensitivity. The following table details the impact on the Company's net assets to a 10% decrease (in the context of a 10% increase the figures below should all be read as negative) in sterling against the foreign currencies in which the Company has exposure. The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

	2023	**2022**

	£'000	£'000
Australian Dollar	7,793	8,648
Chinese Renminbi	1,027	1,648
Hong Kong Dollar	3,625	4,279
Indian Rupee	2,512	2,466
Indonesian Rupiah	837	624
Japanese Yen	420	865
New Zealand Dollar	428	487
Singapore Dollar	8,331	9,644
South Korean Won	3,715	3,279
Taiwanese Dollar	9,170	7,449
Thailand Baht	2,506	3,262
US Dollar	(47)	(477)
Total	**40,317**	**42,174**

Equity price risk. Equity price risk (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the Company's quoted equity investments.

Management of the risk. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. The allocation of assets to international markets and the stock selection process both act to reduce market risk. The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on recognised stock exchanges.

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

Equity price risk sensitivity. The following table illustrates the sensitivity of the profit after taxation for the year and the equity to an increase or decrease of 10% (2022 - 10%) in the fair values of the Company's equities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equities at each Balance Sheet date, with all other variables held constant.

	2023		2022	
	Increase in fair value £'000	Decrease in fair value £'000	Increase in fair value £'000	Decrease in fair value £'000
Statement of Comprehensive Income – profit after taxation				
Revenue return – increase /(decrease)	-	-	-	-
Capital return – increase /(decrease)	42,632	(42,632)	44,473	(44,473)
Total profit after taxation – increase /(decrease)	**42,632**	**(42,632)**	**44,473**	**(44,473)**
Equity				
Capital reserve	**42,632**	**(42,632)**	**44,473**	**(44,473)**

(ii) Liquidity risk. This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities, which stood at £35,241,000 (2022 - £43,379,000).

Management of the risk. Liquidity risk is not considered to be significant as the Company's assets comprise mainly cash and readily realisable securities, which can be sold to meet funding commitments if necessary and these amounted to £1,560,000 and £429,636,000 (2022 - £7,328,000 and £448,323,000) at the year end respectively. Short-term flexibility is achieved through the use of loan facilities.

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

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

At 31 December 2022	Within 1 year £'000	Between 1-5 years £'000	Total £'000
Fixed rate			
Bank loans	30,986	10,000	40,986
Interest on bank loans	281	26	307
	31,267	10,026	41,293
Floating rate			
Cash	**7,328**	**-**	**7,328**

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

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

The Company's only financial assets subject to the expected credit loss model within IFRS 9 are only short-term other receivables. At 31 December 2023, the total of short-term other receivables was £2,913,000 (2022 - £1,175,000). Given the balance is not material an assessment of credit risk is not performed. No other assets are considered impaired and no other amounts have been written off during the year.

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

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

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

- a Chinese overseas corporate bond issued by G3 Exploration with a book cost of £4,611,000. G3 Exploration appointed joint liquidators during December 2019. Therefore the Board of Directors decided to write down the value of G3 Exploration to £nil due to the uncertainty over the repayment of the debt. No interest for G3 Exploration has been accrued since the joint liquidator was appointed.
- an Indian overseas corporate bond issued by ICICI Bank with a fair value of £3,321,000 (2021 - £3,596,000).

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

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

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

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

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

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

	2023		2022	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Non-current assets				
Investments held at fair value through profit or loss	429,636	3,321	448,323	3,596
Current assets				
Cash at bank	1,560	1,560	7,328	7,328
Other receivables	2,913	2,913	1,175	1,175
	434,109	**7,794**	**456,826**	**12,099**

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

Management of the risk. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise fixed rate, revolving, and uncommitted facilities. The fixed rate facilities are used to finance opportunities at low rates and, the revolving and uncommitted facilities to provide flexibility in the short-term.

19. Capital management policies and procedures

The Company's capital management objectives are:

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

The Company's capital at 31 December comprises:

	2023 £'000	2022 £'000
Debt		
Borrowings under the multi-currency loan facility	32,123	30,986
Borrowing under the three year Sterling loan facility	–	9,981
	32,123	**40,967**

Equity	2023 £'000	2022 £'000
Equity share capital	194,933	194,933
Retained earnings and other reserves	203,935	218,514
	398,868	**413,447**
Debt as a % of net assets [A]	**8.05**	**9.91**

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

The Board, with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:
- the planned level of gearing, which takes account of the Investment Manager's views on the market;
- the need to buy back equity shares for cancellation or for holding in treasury, which takes account of the difference between the net asset value per Ordinary share and the Ordinary share price (i.e. the level of share price discount);
- the need for new issues of equity shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

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

20. Related party transactions and transactions with the Investment Manager

Fees payable during the period to the Directors are disclosed in note 6 and within the Directors' Remuneration Report (unaudited), along with their interests in shares of the Company, totalling 98,101 (2022 - 92,149).

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

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

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

21. Controlling party

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

22. Fair value hierarchy

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

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

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

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

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

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

At 31 December 2022	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	444,727	–	–	444,727
Quoted bonds	b)	–	3,596	–	3,596
Net fair value		**444,727**	**3,596**	**-**	**448,323**

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 31 December 2023 has been classified as Level 2.

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

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

Fair values of financial liabilities. There is no fair value attributed to the borrowings as at 31 December 2023 given their short-term nature. At 31 December 2022 the fair value was £40,919,000 (carrying value per Balance Sheet - £40,967,000). Under the fair value hierarchy in accordance with IFRS 13, these borrowings can be classified as Level 2 due to the use of a discount rate as an observable input in the calculation of fair value.

23. Subsequent events

Subsequent to the year end, the Company and Manager agreed to a change in the management fee terms. With effect from 1 January 2024 it was agreed that the management fee will be calculated and payable monthly in arrears, at the lower of (i) market capitalisation up to £300 million at a rate of 0.75% per annum and a rate of 0.60% per annum thereafter, or (ii) net asset value up to £300 million at a rate of 0.75% per annum and a rate of 0.60% per annum thereafter. The Company and Investment Manager also agreed that an amount of £129,000 per annum in respect of rebating fees payable by the Company to JTC Fund Solutions (Jersey) Limited relating to administration fees and £130,000 relating to marketing and promotional fees payable by the Company to the Investment Manager would be deducted from the management fee.

Additional Notes:

The Annual Financial Report Announcement is not the Company's statutory financial statements. The above results for the year ended 31 December 2023 are an abridged version of the Company's full financial statements, which have been approved and audited with an unqualified report. The 2022 and 2023 statutory financial statements received unqualified reports from the Company's Auditor and did not include any reference to matters to which the Auditor drew attention by way of emphasis without qualifying the reports. The financial information for 2022 is derived from the statutory financial statements for 2022 which have been lodged with the JFSC. The 2023 financial statements will be filed with the JFSC in due course.

The Annual Report will be posted to Shareholders and further copies may be obtained from the registered office, 28 Esplanade St Helier Jersey JE2 3QA and on the Company's website* asian-income.co.uk.

Please note that past performance is not necessarily a guide to the future and that the value of investments and the income from them may fall as well as rise and may be affected by exchange rate movements. Investors may not get back the amount they originally invested.

** Neither the content of the Company's website nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is (or is deemed to be) incorporated into, or forms (or is deemed to form) part of this announcement.*

JTC Fund Solutions (Jersey) Limited
Company Secretary
26 March 2024

ALTERNATIVE PEROFRMANE MEASURES

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

Discount to net asset value per Ordinary share

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

		2023	2022
NAV per Ordinary share (p)	a	238.59	243.44
Share price (p)	b	208.00	215.00
Discount	(b-a)/a	-12.8%	-11.7%

Dividend cover

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

		2023	2022
Revenue return per share	a	11.97p	10.23p
Dividends per share	b	11.75p	10.00p
Dividend cover	a/b	1.02	1.02

Dividend yield

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

		2023	2022
Annual dividend per Ordinary share (p)	a	11.75p	10.00p
Share price (p)	b	208.00p	215.00p
Dividend yield	(b-a)/a	5.6%	4.7%

Net gearing

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

		2023	2022
Borrowings (£'000)	a	32,123	40,967
Cash (£'000)	b	1,560	7,328
Amounts due to brokers (£'000)	c	21	-
Amounts due from brokers (£'000)	d	756	-
Shareholders' funds (£'000)	e	398,868	413,447
Net gearing	(a-b+c-d)/e	**7.5%**	**8.1%**

Ongoing charges

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

	2023	2022
Investment management fees (£'000)	3,041	3,270
Administrative expenses (£'000)	867	939
Less: non-recurring charges[A] (£'000)	(18)	(42)
Ongoing charges (£'000)	**3,890**	**4,167**
Average net assets (£'000)	**395,914**	**421,170**
Ongoing charges ratio (excluding look-through costs)	**0.98%**	**0.99%**
Look-through costs[B]	**0.02%**	**0.02%**
Ongoing charges ratio (including look-through costs)	**1.00%**	**1.01%**

[A] Professional services comprising advisory and legal fees considered unlikely to recur.
[B] Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis.

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

Total return

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

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

Year ended 31 December 2022		**NAV**	**Share Price**
Opening at 1 January 2022	a	262.76p	231.00p
Closing at 31 December 2022	b	243.44p	215.00p
Price movements	c=(b/a)-1	-7.4%	-6.9%
Dividend reinvestment[A]	d	3.8%	4.2%
Total return	c+d	**-3.6%**	**-2.7%**

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