Aberdeen Standard Asia Focus PLC

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

Half Yearly Report
31 January 2020

The Company
The Company is an investment trust and its Ordinary shares and Convertible Unsecured Loan Stock ("CULS") are listed on the premium segment of the London Stock Exchange. The Company aims to attract long-term private and institutional investors wanting to benefit from the growth prospects of Asia's smaller companies.

Investment Objective
The Company aims to maximise total return to shareholders over the long term from a portfolio made up predominantly of smaller quoted companies (with a market capitalisation of up to approximately US$1.5 billion at the time of investment) in the economies of Asia and Australasia, excluding Japan, by following the investment policy. When it is in shareholders' interests to do so, the Company reserves the right to participate in the rights issue of an investee company notwithstanding that the market capitalisation of that investee may exceed the stated ceiling. The Directors do not envisage any change in this activity in the foreseeable future.

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

Investment Manager and Alternate Investment Fund Manager
The Company's Alternative Investment Fund Manager, appointed as required by EU Directive 2011/61/EU, is Aberdeen Standard Fund Managers Limited ("ASFML") which is authorised and regulated by the Financial Conduct Authority. Day to day management of the portfolio is delegated to Aberdeen Standard Investments (Asia) Limited ("ASI Asia", the "Manager" or the "Investment Manager").

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

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"Over the six month period to 31 January 2020 your Company's net asset value and share price fell by 8.3% and 6.2% respectively, compared to the MSCI Asia (ex-Japan) Smaller Companies Index decline of 6.8%."

Nigel Cayzer,
Chairman

"Shares of Asian smaller companies fell more than their large-cap peers, in volatile trading, over the review period. Mounting recessionary fears hurt smaller companies in view of their greater domestic focus and the perception that they are higher risk."

Hugh Young,
Aberdeen Standard Investments (Asia) Limited

Highlights and Financial Calendar

Performance Highlights

Net asset value total return per Ordinary share[A]
Six months ended 31 January 2020

–8.3%

Year ended 31 July 2019 +7.1%

Share price total return per Ordinary share[A]
Six months ended 31 January 2020

–6.2%

Year ended 31 July 2019 +11.4%

MSCI AC Asia Pacific ex Japan Index total return
Six months ended 31 January 2020

–3.7%

Year ended 31 July 2019 +5.7%

MSCI AC Asia Pacific ex Japan Small Cap Index total return
Six months ended 31 January 2020

–6.8%

Year ended 31 July 2019 –0.5%

Discount to net asset value[A]
As at 31 January 2020

9.7%

As at 31 July 2019 11.6%

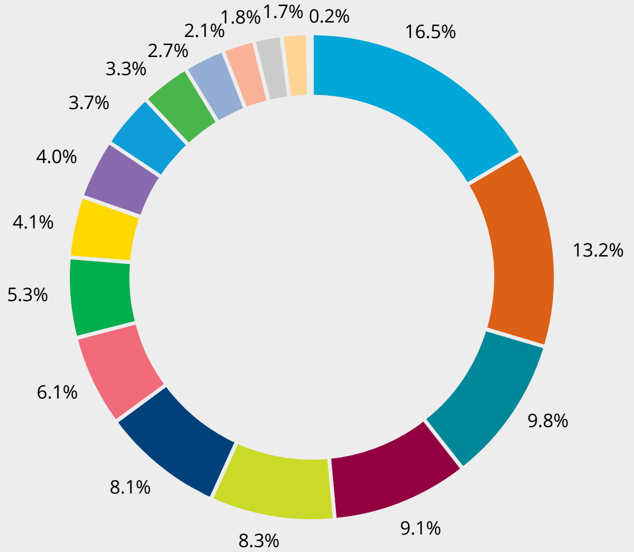
Ongoing charges ratio[A]
As at 31 January 2020

1.14%

As at 31 July 2019 1.16%

[A] Considered to be an Alternative Performance Measure as defined on pages 23 and 24.

Investment Portfolio by Sector



Country allocation

- India - 16.5%
- Thailand - 13.2%
- Malaysia - 9.8%
- Hong Kong - 9.1%
- Singapore - 8.3%
- Indonesia - 8.1%
- Philippines - 6.1%
- Taiwan - 5.3%
- South Korea - 4.1%
- Sri Lanka - 4.0%
- New Zealand - 3.7%
- Vietnam - 3.3%
- UK - 2.7%
- Myanmar - 2.1%
- Denmark - 1.8%
- China - 1.7%
- Pakistan - 0.2%

Financial Calendar

Payment of final dividend	9 December 2020
Financial year end	31 July 2020
Announcement of unaudited half yearly results for the six months ended 31 January 2020	7 April 2020
Annual General Meeting (London)	2 December 2020

Financial Highlights

	31 January 2020	31 July 2019	% change
Total assets[A]	£439,893,000	£496,916,000	–11.5
Net asset value per Ordinary share	1,173.81p	1,300.56p	–9.7
Share price per Ordinary share (mid)	1,060.00p	1,150.00p	–7.8
Discount to net asset value per Ordinary share[B]	9.7%	11.6%	
Net gearing[B]	11.3%	9.9%	
Ongoing charges ratio[B]	1.14%	1.16%	

[A] Total assets less current liabilities (excluding prior charges such as bank loans) as per the Statement of Financial Position.
[B] Considered to be an Alternative Performance Measure as defined on pages 23 and 24.

Chairman's Statement

"Despite having seen stock markets fall rapidly and precipitately, we maintain our long-term confidence in the companies we hold. Their balance sheets are resilient and the services or products they furnish are the future in what is the world's most dynamic region. We believe that the structural argument for investment in smaller companies in Asia is as strong as ever."

Nigel Cayzer, Chairman

Background

Since the period under review, which was for the six months ended 31 January 2020, the pandemic caused by the coronavirus ("Covid-19") has swept around the globe upending the commercial world in which your Company operates. This Statement should, therefore, be read in two parts. The first is a commentary on the period under review and the second, under "Outlook", an attempt to summarise where your Board, with very considerable input from Hugh Young and the team at Aberdeen Standard Investments Asia, sees the future, both for the region and for the portfolio of investments that the Company holds.

Some of you will have seen on the Company's website **www.asia-focus.co.uk** that we have recently introduced a podcast. The first was published on 13 March 2020 and featured Hugh Young discussing the current crisis, commenting on the fact that companies continue to operate and stressing once again that the principle that we have espoused for the last 25 years, of only investing in companies with good prospects, excellent management and strong balance sheets, should see us weather this storm and emerge strongly at the other end. We intend to publish a podcast on a regular basis. I would strongly recommend that shareholders who wish to be kept abreast of the Company's progress access them via the internet.

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Even before the onset of the virus, global stock markets, Asia included, had a rollercoaster ride for the half year to 31 January 2020. Markets began on the back foot as US-China trade friction compounded worries about slowing global growth. Optimism returned after both sides resumed talks and reached a partial pact eventually. This was further helped by monetary policy easing worldwide, while we saw additional stimulus in Asia to shore up growth. However, sentiment soured again after the viral outbreak in Wuhan, China, which, as we know, spread across the region, before going wider.

Against this challenging backdrop, over the six month period to 31 January 2020 your Company's net asset value and share price fell by 8.3% and 6.2% respectively, compared to the MSCI Asia (ex-Japan) Smaller Companies Index decline of 6.8%.

With continued focus on investing in quality companies, we saw this as a temporary dip. The portfolio is concentrated in financially robust companies which are often leaders within their sectors. Hugh Young and the team in Asia believe that these companies should be more resilient and better-positioned to ride through these difficult times. This remains evident in the Company's track record of delivering value to shareholders over several cycles. Notably, over the past 10 years to 31 January 2020, the Company's NAV total return was 210.8% compared to the return of 74.5% of the MSCI Asia (ex-Japan) Smaller Companies Index.

Overview for the period under review

Shares of Asian smaller companies fell more than their large-cap peers, in volatile trading, over the review period. Mounting recessionary fears hurt smaller companies in view of their greater domestic focus and the perception that they are higher risk. This was cast against slowing global trade, as China and the US continued to bicker. In particular, consumer demand suffered, while companies deferred their investment and expansion plans. Slowing consumption, coupled with benign inflation, allowed policymakers to lower interest rates, while governments attempted to pump prime their economies. After a prolonged lag, shares of Asian smaller companies rose in December. This proved short-lived, however, as the Covid-19 outbreak in Wuhan spread rapidly across Asia. Investors braced themselves for the worst, as the epidemic threatened to derail the nascent global growth recovery. Appetite for riskier assets waned, while oil and metal prices declined on worries about the impact on demand for such commodities.

What we have done in the portfolio and how it has performed

Although India faces the challenges of financial sector woes and softening growth, interest rate and corporate tax rate cuts have been supporting the corporate sector and the country remains home to some of the best-quality companies in the region. As a result, your Manager took the opportunity to invest in the initial public offering of **Affle India**, in which your Company participated as a cornerstone investor. The stock more than doubled in value until the virus spread to India. Affle is a consumer technology business, operating a data platform that helps direct digital advertising. It is a dominant player in India and is also well-placed to grow profitably in other emerging markets. Notably, the company has filed for new patents in the US and Singapore and continues to evolve the business to help support clients via several channels, be they online or offline. Other Indian holdings fared well too, such as property developer **Prestige Estates** after its successful fund raise and expectations over a potential REIT listing, and agri-business **Godrej Agrovet** which was boosted by good quarterly results.

Chairman's Statement Continued

Your Company's holdings within the technology sector were also resilient despite the present challenges. Thai electric component maker **Hana Microelectronics** and Singapore chip-making equipment maker **AEM Holdings** were among the top performers. Both continued to track semiconductor stocks higher on growing optimism about prospects for a demand recovery. Meanwhile, Korea's software company **Douzone Bizon** advanced amid positive trends such as cloud migration and cybersecurity. Similarly, the largest online retailer in Taiwan, **momo.com** also rose. Where possible, your Manager took profits from shares that have done well, reinvesting the proceeds in other high-conviction stocks at compelling valuations. Given the digital transformations that are leading the way into the next decade, your Manager has been diligent in seeking out these niche companies, pleasingly with some success. Notably, this included Korea's **Koh Young Technology**. A global leader in 3D inspection for circuit boards, Koh Young is set to benefit from the growing penetration of its 3D-testing technology. Its potential is further underpinned by the increasing complexity of chip-making, driven by structural trends, such as 5G telecommunications, vehicle electrification, and artificial intelligence. In addition, the company is dominant in its niche market, has a broad customer base, and is highly profitable, with a net-cash balance sheet.

In contrast, your Company's holdings in Thailand were hurt by sluggish domestic conditions, weaker than expected economic data and concerns over the Covid-19 outbreak. That said, some of these companies, such as **Aeon Thana** and **Tisco Financial**, were among the better performers earlier in the review period and your Manager capitalised on the gains. The subsequent weakening in the stock market enabled your Manager to add to those that looked particularly compelling, such as **Mega Lifesciences**. Your Manager also participated in the public offering of bio-waste energy producer **Absolute Clean Energy**. The company has a good track record in operating 13 power plants, with 20 more in the pipeline. The conducive regulatory backdrop supports its ambitious growth plans, and your Manager was impressed by management's focus and technical know-how.

At the same time, your Manager continued to exit both smaller holdings at the tail-end of the portfolio that had a dimmer growth outlook, and more sizeable positions where valuations appeared full. To this end, your Manager completed the divestment of Sri Lankan conglomerate Aitken Spence and also sold Asia Satellite Telecom after accepting a takeover offer to take the company private. Other sales included Australian software developer Citadel Group and automobile parts and accessories manufacturer ARB Corp, as well as retailer Giordano and South India's Ramco Cements.

How businesses have been faring over recent months

With everything changing rapidly since the end of the review period, it is important to keep our shareholders as well informed as possible. We will be giving regular updates on our website **www.asia-focus.co.uk**. At the time of writing there is considerable stress across businesses worldwide. It has notably affected the hotel, restaurant and entertainment sectors, where much traffic has ceased. We have various holdings in the hotel sector notably in New Zealand via **CDL Investments** and **Millennium & Copthorne**, as well as in Malaysia via **Shangri-la**. Thankfully these companies are well established, with strong parentage and not in an investment phase; so whilst the pain on the profit and loss account will be felt sharply, the balance sheets should be resilient. Your Company also owns shares **in Lemon Tree** in India, a more nascent hotel chain undergoing rapid expansion with consequently more leverage. Given the uncertain environment and the difficulty in predicting how long Covid-19 may impact travel in India, we have decided to reduce the position.

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The strain obviously goes deep and no business is unaffected. Banks, financial institutions and landlords face the prospect of higher bad debts. Our holdings in these sectors will not escape unscathed but again are typically the strongest and most conservative in their peer group. On a brighter note, albeit within a very dark cloud, the falling price of energy is a benefit to most of the economies in which we invest. It has of course fallen in large part because of the recessionary impact of Covid-19 but will be a welcome mitigating factor. It is worth stressing that within the portfolio we have minimal exposure to energy.

Electronic Communications for Registered Shareholders

The Board is moving to more electronic-based forms of communication with its registered shareholders. Increased use of electronic communications should be a more cost-effective, faster and more environmentally friendly way of providing information to shareholders. Registered shareholders will therefore find enclosed with this Half Yearly Report a letter containing our electronic communications proposals and an opportunity to supply an email address to the Registrars. Registered shareholders who wish to continue to receive hard copies of documents and communications by post are encouraged to send back their replies as soon as possible but in any event by 31 July 2020. Shareholders are free to amend their mailing preferences at any time in the future simply by contacting the Company's registrar.

Shareholders who hold their shares through the Aberdeen Standard Investment Trust Share Plan, ISA and Children's Plan (Planholders) will continue to receive all documentation by post in hard copy for the time being. The Plan Manager is currently assessing how to adopt more electronically based communications within these savings plans and Planholders will be contacted directly with more detail in due course.

Share Capital Management and Gearing

During the period 918,256 Ordinary shares were purchased in the market at a discount to the prevailing ex-income NAV and transferred to treasury. After the period end a further 292,500 Ordinary shares have been purchased into treasury. Your Board continues to use share buy backs in periods of market uncertainty to both reduce the volatility of any discount and to modestly enhance the NAV for shareholders. Conversely, in times of market optimism, shares have been issued to the market at a premium to NAV.

The Company's net gearing at 31 January 2020 was 11.3%. The majority of the gearing is provided by the Convertible Unsecured Loan Stock redeemable in 2025, of which approximately £36.7m million remains outstanding. The Company also has a three-year multicurrency revolving loan facility and a term loan facility in an aggregate amount of $25 million with The Royal Bank of Scotland International Limited ("RBSI"). Under the term loan facility $12.5 million has been drawn down and fixed until June 2020 at an all-in rate of 2.506%. A further $10 million has been drawn down under the $12.5m revolving credit facility. In the current volatile market conditions, the Board and Manager are monitoring the level of gearing closely. On 25 March 2020 the Company announced that it had amended its loan facility to reduce the Company's minimum Net Asset Value covenant from £300m to £250m with immediate effect. At 3 April 2020, the latest practicable date, the net gearing stood at 15.8%.

Outlook

With events unfolding rapidly, it is more difficult than ever to make firm predictions. Governments across the world are now focusing on the health and safety of their citizens, while also introducing a variety of measures to mitigate the economic fallout. Typically, such measures have so far been a combination of a further lowering of interest rates, which we have seen across many countries, and targeted relief to particularly affected sectors. Clearly, as what short-term evidence is available demonstrates, economies have slowed dramatically as end demand has fallen sharply. Restrictions on travel and public assembly have notably hit tourism, consumption and retail. Although the consequences are often felt most acutely by small and medium enterprises (SMEs), the companies in which we invest are not in as precarious a position as SMEs in general, being to a large extent helped by their strong balance sheets and industry-leading positions.

Although it is impossible to predict timelines, the case of China does suggest how countries can tackle the problem and start to normalise. Rigorous measures imposed early on appear now to mean that daily life in China is returning to normal, with restaurants and factories reopening. Clearly, international travel restrictions still apply, and these are likely to apply for a while, to prevent re-importation of the virus. With other Asian countries taking similar measures, notably Singapore and South Korea, we see this as being the pattern emerging across the region as the year progresses.

> We believe that the structural argument for investment in smaller companies in Asia is as strong as ever.

Despite having seen stock markets fall rapidly and precipitately, we maintain our long-term confidence in the companies we hold. Their balance sheets are resilient and the services or products they furnish are the future in what is the world's most dynamic region. We believe that the structural argument for investment in smaller companies in Asia is as strong as ever.

At close on 3 April 2020, the latest practicable date, the net asset value per Ordinary share was 891.5p and the share price was 752.0p, representing falls of 24.1% and 29.1% respectively since the period end.

Chairman's Statement Continued

Principal Risks and Uncertainties

The principal risks and uncertainties affecting the Company are set out in detail on pages 8 and 9 of the Annual Report and Financial Statements for the year ended 31 July 2019 and these have not changed. They can be summarised under the following headings:

- Investment Strategy and Objectives;
- Investment Portfolio and Investment Management Risks;
- Financial Obligations;
- Financial and Regulatory;
- Operational;
- Investment in Unlisted Securities; and
- Market and F/X Risks.

Although the uncertainty surrounding Brexit has temporarily abated there may remain potential issues surrounding the certainty and/or timing of future withholding tax repayments following the expiry of transitional arrangements in January 2021.

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

In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of the 2019 Annual Report.

Going Concern

The Company's assets consist of a diverse portfolio of listed equities which in most circumstances are realisable within a short timescale. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the next 12 months. Accordingly, we continue to adopt the going concern basis in preparing the financial statements.

The Company has a USD$25 million loan facility with RBSI which is due to mature in June 2020. At the time of writing, $22.5m (£18.2m) remains drawn down under the loan. In advance of the maturity the Directors will review options to replace the facility. At this stage, it is too early to confirm that the facility will be renewed. If acceptable terms are available, the Company expects to continue to access a similarly sized level of gearing. Should the Board decide not to replace the facility, any maturing debt would be repaid through the proceeds of equity sales. Based upon the latest liquidity analysis of the portfolio the loans can be repaid in full subject to usual exchange settlement timeframes.

The Directors have carefully considered the financial position of the Company with particular attention to the economic and social impacts of the Covid-19 pandemic. As indicated above and in the Chairman's Statement, Covid-19 presents significant challenges to all of the countries within the investment region as well as the rest of the world. It is too early to be able to assess the longer term impacts on the individual companies in the portfolio, however, the Board takes comfort from the resilience of the balance sheets of those companies.

Directors' Responsibility Statement

The Directors are responsible for preparing this half-yearly financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting);

- the Interim Board Report (constituting the interim management report) includes a fair review of the information required by rule 4.2.7R of the UK Listing Authority Disclosure Guidance and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year) and 4.2.8R (being related-party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could so do).

Nigel Cayzer,
Chairman
7 April 2020

Ten Largest Investments

As at 31 January 2020

4.0%
Total assets

Bank OCBC NISP
Indonesian subsidiary of Singapore-based OCBC Bank.

3.5%
Total assets

John Keells Holdings
A blue-chip conglomerate with major segments in hotels, consumer, transportation and financial services.

3.1%
Total assets

Asian Terminals
One of the Philippines' main port operators. It manages and operates Port of Manila South Harbour Container Terminal, Port of Batangas, Port of General Santos and the Inland Clearance Depot yard in Calamba, Laguna.

2.9%
Total assets

Cebu Holdings
A Filipino real-estate company with a decent land bank in Cebu.

2.8%
Total assets

Oriental Holdings
The Malaysia-based conglomerate operates in Malaysia, Indonesia and Singapore, with diverse interests spanning plantations, automobiles, property and healthcare.

2.7%
Total assets

Ultrajaya Milk Industry & Trading
The market leader in Indonesia's UHT liquid milk segment, supported by good management and strong brand equity.

2.7%
Total assets

Hana Microelectronics (Foreign)
Thai company with diversified product lines in IC packaging and microelectronics, proven management ability to manage through cycles, debt-free balance sheet and strong cash flow.

2.7%
Total assets

AEM Holdings
A Singapore-based provider of advanced semiconductor chip testing services that has embedded itself in chipmaker Intel's global supply chain.

2.7%
Total assets

M.P. Evans Group
A UK-listed company operating palm oil plantations in Indonesia, which has maintained high operating standards, improved crop production and sustained its dividends on the back of a strong balance sheet.

2.6%
Total assets

Millennium & Copthorne Hotels New Zealand
Owns and operates a chain of hotels across New Zealand and is also active in property development there. It is majority owned by London-listed Millennium & Copthorne Hotels.

Investment Portfolio

As at 31 January 2020

Company	Industry	Country	Valuation £'000	Total assets %
Bank OCBC NISP	Banks	Indonesia	17,716	4.0
John Keells Holdings	Industrial Conglomerates	Sri Lanka	15,370	3.5
Asian Terminals	Transportation Infrastructure	Philippines	13,489	3.1
Cebu Holdings	Real Estate Management & Development	Philippines	12,901	2.9
Oriental Holdings	Automobiles	Malaysia	12,087	2.8
Ultrajaya Milk Industry & Trading	Food Products	Indonesia	11,881	2.7
Hana Microelectronics (Foreign)	Electronic Equipment, Instruments & Components	Thailand	11,780	2.7
AEM Holdings	Semiconductors & Semiconductor Equipment	Singapore	11,767	2.7
M.P. Evans Group	Food Products	United Kingdom	11,762	2.7
Millennium & Copthorne Hotels New Zealand[A]	Hotels, Restaurants & Leisure	New Zealand	11,428	2.6
Top ten investments			**130,181**	**29.7**
Sanofi India	Pharmaceuticals	India	11,091	2.5
Dah Sing Financial Holdings	Banks	Hong Kong	10,766	2.5
Aegis Logistics	Oil, Gas & Consumable Fuels	India	10,763	2.4
Godrej Agrovet	Food Products	India	10,706	2.4
Convenience Retail Asia	Food & Staples Retailing	Hong Kong	10,595	2.4
MOMO.com	Internet & Direct Marketing Retail	Taiwan	10,480	2.4
First Sponsor Group[A]	Real Estate Management & Development	Singapore	10,059	2.3
City Union Bank	Banks	India	9,499	2.2
Yoma Strategic Holdings	Real Estate Management & Development	Myanmar	9,216	2.1
AEON Credit Service (M)	Consumer Finance	Malaysia	8,903	2.0
Top twenty investments			**232,259**	**52.9**
Tisco Financial Group (Foreign)	Banks	Thailand	8,691	2.0
Park Systems Corporation	Electronic Equipment, Instruments & Components	South Korea	8,593	2.0
Nam Long Invst Corporation	Real Estate Management & Development	Vietnam	8,572	1.9
Lemon Tree Hotels	Hotels, Restaurants & Leisure	India	8,493	1.9
Mega Lifesciences (Foreign)	Pharmaceuticals	Thailand	8,476	1.9
Shangri-La Hotels Malaysia	Hotels, Restaurants & Leisure	Malaysia	8,277	1.9
Eastern Water Resources Development & Management (Foreign)	Water Utilities	Thailand	7,991	1.8
United International Enterprises	Food Products	Denmark	7,967	1.8
Bukit Sembawang Estates	Real Estate Management & Development	Singapore	7,878	1.8
Precision Tsugami China Corporation	Machinery	China	7,417	1.7
Top thirty investments			**314,614**	**71.6**

As at 31 January 2020

Company	Industry	Country	Valuation £'000	Total assets %
Thai Stanley Electric (Foreign)	Auto Components	Thailand	7,226	1.6
Kansai Nerolac Paints	Chemicals	India	7,150	1.6
AEON Thana Sinsap Thailand (Foreign)	Consumer Finance	Thailand	6,873	1.6
Sporton International	Professional Services	Taiwan	6,863	1.6
United Plantations	Food Products	Malaysia	6,535	1.5
Affle India	Media	India	6,164	1.4
Sunonwealth Electric Machinery Industry	Machinery	Taiwan	5,747	1.3
FPT Corporation	Electronic Equipment, Instruments & Components	Vietnam	5,623	1.3
AEON Credit Service (Asia)	Consumer Finance	Hong Kong	5,515	1.3
SBS Transit	Road & Rail	Singapore	5,418	1.2
Top forty investments			**377,728**	**86.0**
AKR Corporindo	Trading Companies & Distributors	Indonesia	5,181	1.2
Public Financial Holdings	Banks	Hong Kong	4,611	1.0
Douzone Bizon	Software	South Korea	4,560	1.0
Pacific Basin Shipping	Marine	Hong Kong	4,503	1.0
Koh Young Technology	Semiconductors & Semiconductor Equipment	South Korea	4,496	1.0
AEON Co (M)	Multiline Retail	Malaysia	4,039	0.9
Prestige Estates Projects	Real Estate Management & Development	India	3,834	0.9
NZX	Capital Markets	New Zealand	3,801	0.9
Cyient	Software	India	3,556	0.8
Absolute Clean Energy (ACE)	Independent Power and Renewables	Thailand	3,431	0.8
Top fifty investments			**419,740**	**95.5**
Kingmaker Footwear Holdings	Textiles, Apparel & Luxury Goods	Hong Kong	1,994	0.5
Manulife Holdings	Insurance	Malaysia	1,905	0.4
DFCC Bank	Banks	Sri Lanka	1,816	0.4
AEON Stores Hong Kong	Multiline Retail	Hong Kong	1,452	0.3
Goodyear Thailand (Foreign)	Auto Components	Thailand	1,253	0.3
Thaire Life Assurance (Foreign)	Insurance	Thailand	1,238	0.3
ORIX Leasing Pakistan	Consumer Finance	Pakistan	1,076	0.2
Straits Trading Company	Metals & Mining	Singapore	868	0.2
CDL Investments New Zealand	Real Estate Management & Development	New Zealand	705	0.2
YNH Property	Real Estate Management & Development	Malaysia	516	0.1
Top sixty investments			**432,563**	**98.4**
G3 Exploration	Oil, Gas & Consumable Fuels	China	131	–
Mustika Ratu	Personal Products	Indonesia	120	–
Wintermar Offshore Marine	Energy Equipment & Services	Indonesia	85	–
Total investments			**432,899**	**98.4**
Net current assets excluding bank loans			**6,994**	**1.6**
Total assets[B]			**439,893**	**100.0**

[A] Holding includes investment in both common and preference lines.

[B] Total assets less current liabilities excluding bank loans.

Investment Case Studies

https://www.ocbcnisp.com/groups/Home.aspx

Bank OCBC Nisp

What does the company do?
Bank OCBC NISP is an Indonesian banking and financial services group, majority owned by Singapore's OCBC (Oversea-Chinese Banking Corporation). The company was first established in 1941 and has a strong track record as a mid-sized bank operating in 60 cities across the archipelago.

Why do we like the investment?
We invested in this company long before OCBC became the major shareholder. What attracted us beyond the big picture of being in the attractive business of banking in a fast-growing economy were the core values of the founding Surjaudaja family. They avoided lending large sums to the politically connected and instead concentrated on the consumer and small- and medium-sized enterprises. Thus the bank survived the Asian crisis of the late 90s in good shape, subsequently attracting Singapore's OCBC, another solid conservative bank, as its largest shareholder. As a bank, NISP will likely be impacted by a slowdown in the Indonesian economy and potential rise in bad loans albeit we take comfort in its more conservative lending practices versus peers and a strong capital position.

In which year did we first invest? 1996

Where is their head office? Jakarta, Indonesia

Yoma Strategic

What does the company do?
Singapore listed holding company with a sole focus of operating businesses in Myanmar in four key sectors, namely Real Estate, Consumer, Automotive &Heavy Equipment and Financial Services.

Why do we like the investment?
Yoma is in the highly advantageous position of being one of the few reputable, privately-owned companies in Myanmar with the capacity to partner with multinationals looking to do business in the country as the economy gradually opens up following years of military rule. This has allowed management to pursue a range of opportunities outside their core property business, including the exclusive right to operate KFC outlets in the country, distribute commercial vehicles for the likes of VW and Mitsubishi and become a strategic partner in a leading mobile payments business called Wave. Whilst it is still early days for several of the Group's non-property businesses, we are excited about the company's long-term growth potential and will be engaging closely with management on how best to manage this growth with financial discipline. Yoma could see a slowdown in property launches/rental income as well as a slowdown in growth in its KFC chain, although the latter is seeing good sales growth in its online channel. Take-up of its digital wallet business (Wave) should also continue to be strong. The balance sheet is moderately geared but we are encouraged by management's recent capital raise which brought in the reputable Ayala Group from the Philippines as a key shareholder. Myanmar has so far not reported a large number of Covid-19 cases although testing has been sparse and the data therefore unreliable.

In which year did we first invest? 2012

Where is their head office? Singapore & Yangon, Myanmar

https://www.yomastrategic.com

Condensed Statement of Comprehensive Income (unaudited)

	Notes	Six months ended 31 January 2020 Revenue £'000	Capital £'000	Total £'000	Six months ended 31 January 2019 Revenue £'000	Capital £'000	Total £'000
Losses on investments		–	(38,530)	(38,530)	–	(21,136)	(21,136)
Income	2	4,441	–	4,441	4,912	–	4,912
Exchange gains/(losses)		–	864	864	–	(91)	(91)
Investment management fees		(1,715)	–	(1,715)	(1,941)	–	(1,941)
Administrative expenses		(576)	–	(576)	(539)	–	(539)
Net return/(loss) before finance costs and taxation		2,150	(37,666)	(35,516)	2,432	(21,227)	(18,795)
Finance costs		(792)	–	(792)	(776)	–	(776)
Net return/(loss) before taxation		1,358	(37,666)	(36,308)	1,656	(21,227)	(19,571)
Taxation	3	(229)	(980)	(1,209)	(249)	(529)	(778)
Return/(loss) attributable to equity shareholders		**1,129**	**(38,646)**	**(37,517)**	**1,407**	**(21,756)**	**(20,349)**
Return/(loss) per share (pence)	4						
Basic		**3.37**	**(115.48)**	**(112.11)**	**4.05**	**(62.67)**	**(58.62)**
Diluted		**n/a**	**n/a**	**n/a**	**n/a**	**n/a**	**n/a**

The total column of the Condensed Statement of Comprehensive Income is the profit and loss account of the Company.

There is no other comprehensive income and therefore the return attributable to equity shareholders is also the total comprehensive income for the period.

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

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

Condensed Statement of Financial Position (unaudited)

	Notes	As at 31 January 2020 £'000	As at 31 July 2019 £'000
Non-current assets			
Investments at fair value through profit or loss		432,899	484,709
Current assets			
Debtors and prepayments		991	3,617
Cash and short-term deposits		8,138	10,239
		9,129	13,856
Creditors: amounts falling due within one year			
Bank loans	6	(17,064)	(20,407)
Other creditors		(2,135)	(1,649)
		(19,199)	(22,056)
Net current liabilities		(10,070)	(8,200)
Total assets less current liabilities		422,829	476,509
Non-current liabilities			
2.25% Convertible Unsecured Loan Stock 2025	7	(35,385)	(35,499)
Net assets		**387,444**	**441,010**
Capital and reserves			
Called-up share capital	8	10,434	10,430
Capital redemption reserve		2,062	2,062
Share premium account		60,365	60,130
Equity component of 2.25% Convertible Unsecured Loan Stock 2025	7	1,057	1,057
Capital reserve	9	303,214	351,781
Revenue reserve		10,312	15,550
Equity shareholders' funds		**387,444**	**441,010**
Net asset value per share (pence)			
Basic	10	**1,173.81**	**1,300.56**
Diluted	10	**n/a**	**n/a**

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

Condensed Statement of Changes in Equity (unaudited)

Six months ended 31 January 2020

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Equity component CULS 2025 £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 July 2019	10,430	2,062	60,130	1,057	351,781	15,550	441,010
Purchase of own shares to treasury	–	–	–	–	(9,913)	–	(9,913)
Conversion of 2.25% Convertible Unsecured Loan Stock 2025 (note 7)	4	–	235	–	–	–	239
Issue costs of 2.25% Convertible Unsecured Loan Stock 2025	–		–	–	(8)	–	(8)
(Loss)/return after taxation	–	–	–	–	(38,646)	1,129	(37,517)
Dividends paid (note 5)	–	–	–	–	–	(6,367)	(6,367)
Balance at 31 January 2020	**10,434**	**2,062**	**60,365**	**1,057**	**303,214**	**10,312**	**387,444**

Six months ended 31 January 2019

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Equity component CULS 2025 £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 July 2018	10,429	2,062	60,076	1,054	346,123	13,962	433,706
Purchase of own shares to treasury	–	–	–	–	(6,817)	–	(6,817)
Conversion of 2.25% Convertible Unsecured Loan Stock 2025 (note 7)	–	–	34	–	–	–	34
Issue costs of 2.25% Convertible Unsecured Loan Stock 2025	–		–	–	(17)	–	(17)
(Loss)/return after taxation	–	–	–	–	(21,756)	1,407	(20,349)
Dividends paid (note 5)	–	–	–	–	–	(5,879)	(5,879)
Balance at 31 January 2019	**10,429**	**2,062**	**60,110**	**1,054**	**317,533**	**9,490**	**400,678**

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

Condensed Statement of Cash Flows (unaudited)

	Six months ended 31 January 2020 £'000	Six months ended 31 January 2019 £'000
Operating activities		
Net loss before finance costs and taxation	(35,516)	(18,795)
Adjustments for:		
Dividend income	(4,421)	(4,884)
Interest income	(19)	(25)
Other income	(1)	(3)
Dividends received	5,141	5,371
Interest received	20	22
Other income received	1	3
Interest paid	(668)	(673)
Losses on investments	38,530	21,136
Currency (gains)/losses	(864)	91
Increase in prepayments	(24)	(15)
(Increase)/decrease in other debtors	(8)	52
Decrease in accruals	(1)	(124)
Stock dividends included in investment income	(160)	(152)
Withholding tax suffered	(272)	(288)
Net cash flow from operating activities	1,738	1,716
Investing activities		
Purchases of investments	(38,145)	(79,021)
Sales of investments	53,129	93,708
Capital Gains Tax on sales	(44)	(339)
Net cash flow from investing activities	14,940	14,348
Financing activities		
Purchase of own shares to treasury	(9,999)	(6,817)
Issue costs refunded/(paid) on 2.25% Convertible Unsecured Loan Stock 2025	65	(17)
(Repayment)/drawdown of loan	(2,037)	1,966
Equity dividends paid	(6,367)	(5,883)
Net cash flow used in financing activities	(18,338)	(10,751)
Increase in cash and cash equivalents	**(1,660)**	**5,313**
Analysis of changes in cash and cash equivalents during the period		
Opening balance	10,239	9,398
Increase in cash and cash equivalents as above	(1,660)	5,313
Effect of exchange rate fluctuations on cash held	(441)	(204)
Closing balance	**8,138**	**14,507**

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

Notes to the Financial Statements

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1. Accounting policies

Basis of accounting. The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the Statement of Recommended Practice (SORP) for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts', issued in October 2019 (The AIC SORP). They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

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

2. Income

	Six months ended 31 January 2020 £'000	Six months ended 31 January 2019 £'000
Income from investments		
Overseas dividends	4,162	4,407
Overseas interest	15	192
REIT income	–	49
Stock dividends	160	152
UK dividend income	84	84
	4,421	4,884
Other income		
Other income	1	3
Deposit interest	19	25
	20	28
Total income	**4,441**	**4,912**

3. Taxation. The taxation charge for the period within revenue represents withholding tax suffered on overseas dividend income. The taxation charge for the period within capital represents capital gains tax on Indian equity sales.

4. Return/(loss) per Ordinary share

	Six months ended 31 January 2020 p	Six months ended 31 January 2019 p
Basic		
Revenue return	3.37	4.05
Capital loss	(115.48)	(62.67)
Total return	**(112.11)**	**(58.62)**

Notes to the Financial Statements Continued

The figures above are based on the following:

	Six months ended 31 January 2020 £'000	Six months ended 31 January 2019 £'000
Revenue return	1,129	1,407
Capital loss	(38,646)	(21,756)
Total return	**(37,517)**	**(20,349)**
Weighted average number of shares in issue[A]	**33,466,971**	**34,715,441**

Diluted[B]	Six months ended 31 January 2020 p	Six months ended 31 January 2019 p
Revenue return	n/a	n/a
Capital return	n/a	n/a
Total return	**n/a**	**n/a**

The figures above are based on the following:

	£'000	£'000
Revenue return	1,123	1,965
Capital loss	(37,709)	(21,756)
Total return	**(36,586)**	**(19,791)**
Number of dilutive shares	**2,517,515**	**2,524,983**
Diluted shares in issue[AB]	**35,984,486**	**37,240,424**

[A] Calculated excluding shares held in treasury.

[B] The calculation of the diluted total, revenue and capital returns per Ordinary share is carried out in accordance with IAS 33, "Earnings per Share". For the purpose of calculating total, revenue and capital returns per Ordinary share, the number of Ordinary shares used is the weighted average number used in the basic calculation plus the number of Ordinary shares deemed to be issued for no consideration on exercise of all 2.25% Convertible Unsecured Loan Stock 2025 (CULS). The calculations indicate that the exercise of CULS would result in an increase in the weighted average number of Ordinary shares of 2,517,515 (31 January 2019 – 2,524,983) to 35,984,486 (31 January 2019 – 37,240,424) Ordinary shares.

For the six months ended 31 January 2020 the assumed conversion for potential Ordinary shares was dilutive to the revenue return per Ordinary share (31 January 2019 – non–dilutive) and non–dilutive to the capital return per Ordinary share (31 January 2019 – no difference). Where dilution occurs, the net returns are adjusted for items relating to the CULS. Accrued CULS finance costs for the period and unamortised issue expenses are added back. Total earnings for the period are tested for dilution. Once dilution has been determined individual revenue and capital earnings are adjusted.

5. Dividends

	Six months ended 31 January 2020 £'000	Six months ended 31 January 2019 £'000
Final dividend for 2019 – 14.00p (2018 – 13.00p)	4,691	4,499
Special dividend for 2019 – 5.00p (2018 – 4.00p)	1,676	1,384
Overpaid dividends	–	(4)
	6,367	5,879

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6. **Bank loans.** The Company currently has a $25,000,000 revolving facility agreement with The Royal Bank of Scotland International Limited. At the period end, $12,500,000 (31 July 2019 – $12,500,000) was drawn down from the term loan facility at a fixed interest rate of 2.506% until 8 June 2020. As at 31 January 2020 $10,000,000 (31 July 2019 – $12,500,000) was drawn down from the revolving facility at a rate of 2.493% and matured on 21 February 2020. The terms of the loan facilities contain covenants that the minimum net assets of the Company are £300,000,000, the percentage of borrowings against net assets is less than 20%, and the portfolio contains a minimum of forty five eligible investments (investments made in accordance with the Company's investment policy). All covenants were met during the period. On 25 March 2020 the Company announced that it had amended its three-year multi currency revolving credit facility with the Royal Bank of Scotland International ("Loan Facility") to reduce the Company's minimum net assets covenant from £300,000,000 to £250,000,000 with immediate effect.

7. **Non–current liabilities – 2.25% Convertible Unsecured Loan Stock 2025 ("CULS")**

	Nominal £'000	Liability component £'000	Equity component £'000
Balance at beginning of period	36,945	35,499	1,057
Conversion of CULS into Ordinary shares	(239)	(239)	–
Notional interest on CULS	–	77	–
Amortisation of issue expenses	–	48	–
Balance at end of period	**36,706**	**35,385**	**1,057**

The 2.25% Convertible Unsecured Loan Stock 2025 ("CULS") can be converted at the election of holders into Ordinary shares during the months of May and November each year throughout its life until 31 May 2025 at a rate of one Ordinary share for every 1,465.0p nominal of CULS. Interest is paid on the CULS on 31 May and 30 November each year. 100% of the interest is charged to revenue in line with the Board's expected long-term split of returns from the investment portfolio of the Company.

In the event of a winding-up of the Company the rights and claims of the Trustee and CULS holders would be subordinate to the claims of all creditors in respect of the Company's secured and unsecured borrowings, under the terms of the Trust Deed.

During the period ended 31 January 2020 the holders of £238,951 of 2.25% CULS 2025 exercised their right to convert their holdings into Ordinary shares. Following the receipt of the exercise instructions, the Company converted £238,951 (31 July 2019 – £54,768) nominal amount of CULS into 16,302 (31 July 2019 – 3,727) Ordinary shares.

As at 31 January 2020, there was £36,706,281 (31 July 2019 – £36,965,232) nominal amount of CULS in issue.

8. **Called–up share capital.** During the six months ended 31 January 2020 918,256 (31 January 2019 – 652,000) Ordinary shares were bought back to be held in treasury at a total cost of £9,913,000 (31 January 2019 – £6,821,000). During the six months ended 31 January 2020 an additional 16,302 (31 July 2019 – 3,727) Ordinary shares were issued after £238,951 nominal amount of 2.25% Convertible Unsecured Loan Stock 2025 were converted at 1465.0p each (31 July 2019 – £54,768). The total consideration received was £nil (31 July 2019 – £nil). At the end of the period there were 41,735,313 (31 July 2019 – 41,719,011) Ordinary shares in issue, of which 8,727,918 (31 July 2019 – 7,809,662) were held in treasury.

Subsequent to the period end, a further 292,500 Ordinary shares were bought back to be held in treasury at a total cost of £3,063,000.

9. **Capital reserve.** The capital reserve reflected in the Condensed Statement of Financial Position at 31 January 2020 includes gains of £117,542,000 (31 July 2019 – gains £169,910,000), which relate to the revaluation of investments held at the reporting date.

Notes to the Financial Statements Continued

10. Net asset value per equity share

	As at 31 January 2020	As at 31 July 2019
Basic		
Net assets attributable	£387,444,000	£441,010,000
Number of Ordinary shares in issue[A]	33,007,395	33,909,349
Net asset value per Ordinary share	1,173.81p	1,300.56p
Diluted[B]		
Net assets attributable	£422,829,000	£476,509,000
Number of Ordinary shares	35,512,943	36,431,208
Net asset value per Ordinary share	n/a	n/a

[A] Excludes shares in issue held in treasury.
[B] The diluted net asset value per Ordinary share has been calculated on the assumption that £36,706,281 (31 July 2019 – 36,945,232) 2.25% Convertible Unsecured Loan Stock 2025 ("CULS") are converted at 1,465.0p per share, giving a total of 35,512,943 (31 July 2019 – 36,431,208) Ordinary shares. Where dilution occurs, the net assets are adjusted for items relating to the CULS.

Net asset value per share – debt converted. In accordance with the Company's understanding of the current methodology adopted by the AIC, convertible bond instruments are deemed to be 'in the money' if the cum income (debt at fair value) net asset value ("NAV") exceeds the conversion price of 1,465.0p per share. In such circumstances a net asset value is produced and disclosed assuming the convertible debt is fully converted. At 31 January 2020 the NAV was 1,173.81p and thus the CULS were not 'in the money' (31 July 2019 – 1,300.56p, not 'in the money').

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

	Six months ended 31 January 2020 £'000	Six months ended 31 January 2019 £'000
Purchases	86	171
Sales	43	261
	129	**432**

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12. Analysis of changes in net debt

	At 31 July 2019 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 January 2020 £'000
Cash and short-term deposits	10,239	(441)	(1,660)	–	8,138
Debt due within one year	(20,407)	1,312	2,037	(6)	(17,064)
Debt due after more than one year	(35,499)	–	–	114	(35,385)
	(45,667)	**871**	**377**	**108**	**(44,311)**

	At 31 July 2018 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 January 2019 £'000
Cash and short-term deposits	9,398	(204)	5,313	–	14,507
Debt due within one year	(7,623)	86	(1,966)	–	(9,503)
Debt due after more than one year	(44,715)	27	–	(103)	(44,791)
	(42,940)	**(91)**	**3,347**	**(103)**	**(39,787)**

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

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

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

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

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

The financial assets and liabilities measured at fair value in the Condensed Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

As at 31 January 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets/(liabilities) at fair value through profit or loss				
Quoted equities	432,899	–	–	432,899
Net fair value	**432,899**	**–**	**–**	**432,899**

As at 31 July 2019	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets/(liabilities) at fair value through profit or loss				
Quoted equities	484,709	–	–	484,709
Net fair value	**484,709**	**–**	**–**	**484,709**

Notes to the Financial Statements Continued

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.

14. **Related party disclosures.** Mr Gilbert is a director of Standard Life Aberdeen plc. Both Mr Gilbert and his alternate, Mr Young are directors of its subsidiary ASI Asia which has been delegated, under an agreement with ASFML, to provide management services to the Company. Neither Mr Gilbert nor Mr Young are directors of ASFML.

Mr Yea is chairman of Equiniti Group plc which acts as Registrar and Receiving Agent to the Company. Mr Yea is excluded from participation in all discussions relating to the appointment of Equiniti.

Transactions with the Manager. From 1 August 2018 until 31 October 2018 the investment management fee was payable monthly in arrears based on an annual amount of 1.0% calculated on the average net asset value of the Company over a 24-month period, valued monthly. The fee was calculated by reference to the value of the Company's net assets (gross assets less liabilities excluding the amount of any loan facilities or overdraft facilities drawn down). With effect from 1 November 2018 the investment management fee has been payable monthly in arrears at 0.08% based on the market capitalisation of the company multiplied by the number of shares in issue (less those held in Treasury) at the month end. During the period £1,715,000 (31 January 2019 – £1,941,000) of investment management fees were charged, with a balance of £564,000 (31 January 2019 – £565,000) being payable to ASFML at the period end. Investment management fees are charged 100% to revenue.

The Company also has a management agreement with ASFML for, inter alia, the provision of both administration and promotional activities services which are, in turn, delegated to AAM and Aberdeen Asset Managers Limited ('AAML') respectively. The administration fee is payable quarterly in advance and is adjusted annually to reflect the movement in the Retail Price Index. It is based on a current annual amount of £98,000 (31 January 2019 – £95,000). During the period £48,000 (31 January 2019 – £47,000) of fees were charged, with a balance of £24,000 (31 January 2019 – £24,000) payable to AAM at the period end. The promotional activities costs are based on a current annual amount of £219,000 (31 January 2019 – £219,000), payable quarterly in arrears. During the period £110,000 (31 January 2019 – £110,000) of fees were charged, with a balance of £128,000 (31 January 2019 – £73,000) being payable to AAML at the period end.

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

16. **Subsequent events.** Subsequent to the period end, the Company's NAV has suffered as a result of a decline in stockmarket values resulting from the COVID-19 pandemic. At the date of this Report the latest NAV per share was 891.49p as at the close of business on 3 April 2020, a decline of 24.1% compared the NAV per share of 1,173.81p at the period end.

The Chairman's Statement on pages 5 to 8 notes future uncertainties and risks resulting from COVID-19. The Directors have carefully considered the financial position of the Company with particular attention to the economic and social impacts of the Covid-19 pandemic. As indicated above and in the Chairman's Statement, Covid-19 presents significant challenges to all of the countries within the investment region as well as the rest of the world. It is too early to be able to assess the longer term impacts on the individual companies in the portfolio.

17. **Half–Yearly Report.** The financial information in this Report does not comprise statutory accounts within the meaning of Section 434 – 436 of the Companies Act 2006. The financial information for the year ended 31 July 2019 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified and contained no statement under Section 498 (2), (3) or (4) of the Companies Act 2006. The interim accounts have been prepared using the same accounting policies as the preceding annual accounts.

Ernst & Young LLP has reviewed the financial information for the six months ended 31 January 2020 pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

18. This Half-Yearly Report was approved by the Board and authorised for issue on 7 April 2020.

Alternative Performance Measures ("APMs")

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

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

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

31 January 2020	Dividend rate	NAV	Share price
31 July 2019	N/A	1,300.56p	1,150.00p
14 November 2019	19.00p	1,206.37p	1,055.00p
31 January 2020	N/A	1,173.81p	1,060.00p
Total return		**–8.3%**	**–6.2%**

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

Discount to net asset value per Ordinary share. The difference between the share price of 1060.00p (31 July 2019 – 1,150.00p) and the net asset value per Ordinary share of 1,173.81p (31 July 2019 – 1,300.56p) expressed as a percentage of the net asset value per Ordinary share.

Net gearing. Net gearing measures the total borrowings of £52,449,000 (31 July 2019 – £55,906,000) less cash and cash equivalents of £8,669,000 (31 July 2019 – £12,306,000) divided by shareholders' funds of £387,444,000 (31 July 2019 – £441,010,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to brokers at the period end of £531,000 (31 July 2019 – £2,067,000) as well as cash and cash equivalents of £8,138,000 (31 July 2019 – £10,239,000).

Alternative Performance Measures ("APMs") Continued

Ongoing charges. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year. The ratio as at 31 January 2020 is based on forecast ongoing charges for the year ending 31 July 2020.

	31 January 2020	31 July 2019
Investment management fees (£'000)	3,394	3,711
Administrative expenses (£'000)	1,154	1,091
Less: non-recurring charges (£'000)	–	(3)
Ongoing charges (£'000)	**4,548**	**4,799**
Average net assets (£'000)	**398,060**	**412,437**
Ongoing charges ratio	**1.14%**	**1.16%**

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

Independent Review Report to Aberdeen Standard Asia Focus PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2020 which comprises a Condensed Statement of Comprehensive Income, Condensed Statement of Financial Position, Condensed Statement of Changes in Equity, Condensed Statement of Cash Flows and the related Notes 1 to 18. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' Responsibilities

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

As disclosed in note 1, the annual financial statements of the company are prepared in accordance with United Kingdom Generally Accepted Accounting Practice. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the Financial Reporting Standard (FRS)104 'Interim Financial Reporting'.

Our Responsibility

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

Scope of Review

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

Emphasis of matter – Effects of COVID-19

We draw attention to Note 16 of the financial statements, which describes the economic consequences the company is facing as a result of the financial markets impacts of Covid-19. Our opinion is not modified in respect of this matter.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2020 is not prepared, in all material respects, in accordance with FRS 104 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Services Conduct Authority.

Ernst & Young LLP,
London
7 April 2020

How to Invest in Aberdeen Standard Asia Focus PLC

Direct

Investors can buy and sell Ordinary shares in Aberdeen Standard Asia Focus PLC (the "Company") directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Many have online facilities. Alternatively, for retail clients, shares may be bought directly through the Aberdeen Standard Investment Plan for Children, Investment Trust Share Plan and Investment Trust ISA.

Pre-investment Disclosure Document (PIDD)

The Alternative Investment Fund Manager Directive ("AIFMD") requires Aberdeen Standard Fund Managers Limited, as the alternative investment fund manager of the Company, to make available to investors certain information prior to such investors' investment in the Company. The Company's PIDD is available for viewing on the Company's website.

Suitable for Retail/NMPI Status

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

The Company currently conducts its affairs so that its shares can be recommended by a financial adviser to ordinary retail investors in accordance with the Financial Conduct Authority's rules in relation to non-mainstream pooled investments (NMPIs) and intends to continue to do so for the foreseeable future.

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

Aberdeen Standard Investment Plan for Children

Aberdeen Standard Investments ("ASI") runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing ASI in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

Aberdeen Standard Investment Trust Share Plan

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

Aberdeen Standard Investment Trust ISA

An investment of up to £20,000 can be made in the tax year 2020/2021.

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

Nominee Accounts and Voting Rights

In common with other schemes of this type, all investments in ASI's Investment Trust Share Plan, Investment Plan for Children and Investment Trust ISA are held in nominee accounts and investors have full voting and other rights of share ownership.

ISA Transfer

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

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested. As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread. Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

Keeping You Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Trust's website (**asia-focus.co.uk**) and the TrustNet website (**trustnet.co.uk**). Or, you can also call **0808 500 00 40** for information.

Literature Request Service

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

Telephone: **0808 500 00 40**

For information on the Aberdeen Standard Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

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

Telephone: **0808 500 00 40**

Key Information Document ("KID")

The KIDs relating to the Company and published by the Manager can be found on the Manager's website: **www.asia-focus.co.uk/en/literature-library**.

Online Dealing Providers

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

Online dealing

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

- AJ Bell You Invest
- Barclays Stockbrokers
- Charles Stanley Direct
- Halifax Share Dealing
- Hargreave Hale
- Idealing
- Selftrade
- The Share Centre
- Stocktrade
- Hargreaves Lansdown
- Interactive Investor

Discretionary private client stockbrokers

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

Independent financial advisers

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

Regulation of stockbrokers

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

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

The information above is issued and has been approved for the purposes of the Financial Services and Markets Act 2000 by Aberdeen Asset Managers Limited, Bow Bells House, 1 Bread Street, London EC4M 9HH which is authorised and regulated by the Financial Conduct Authority

Corporate Information

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Viscount Dunluce
Martin Gilbert
Debby Guthrie
Haruko Fukuda, OBE (*retired 31 March 2020*)
Philip Yea

Alternate Director
Hugh Young (*alternate for Martin Gilbert*)

Registered in England as an Investment Company
Registration Number 03106339

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Foreign Account Tax Compliance Act ("FATCA") IRS Registration Number ("GIIN"):
5ITCFT.99999.SL.826

Legal Entity Identifier
5493000FBZP1J92OQY70

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