Aberdeen Standard Asia Focus PLC

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

Half Yearly Report
31 January 2021

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

Contents

Overview

Highlights and Financial Calendar 2
Chairman's Statement 4

Portfolio

Ten Largest Investments 9
Investment Portfolio 10
Investment Case Studies 13

Financial Statements

Condensed Statement of Comprehensive Income (unaudited) 15
Condensed Statement of Financial Position (unaudited) 16
Condensed Statement of Changes in Equity (unaudited) 17
Condensed Statement of Cash Flows (unaudited) 18
Notes to the Financial Statements (unaudited) 19

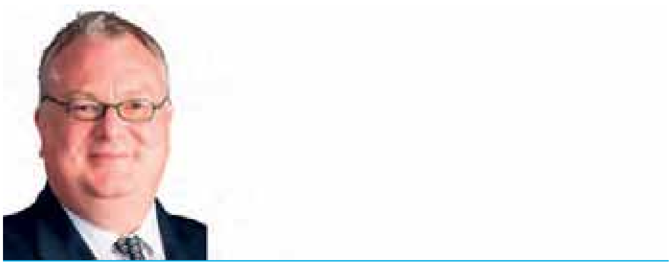
General Information

Alternative Performance Measures ("APMs") 25
How to Invest in Aberdeen Standard Asia Focus PLC 27

Corporate Information 29

"Your Company's net asset value ("NAV") total return rose 21.2% in sterling terms, compared to the MSCI AC Asia Pacific ex-Japan Small Cap Index's advance of 20.5% and the 19.7% return of the large cap MSCI AC Asia Pacific ex Japan Index."

Nigel Cayzer,
Chairman



"Asia remains the powerhouse of global growth, with huge potential for wealth creation over the coming decades. The portfolio offers exposure to sectors supplying hardware, software and platforms for the latest consumer electronics, artificial intelligence and the Internet of Things."

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 2021
+21.2%
Year ended 31 July 2020 –13.6%

Share price total return per Ordinary share[A]
Six months ended 31 January 2021
+22.1%
Year ended 31 July 2020 –13.2%

MSCI AC Asia Pacific ex Japan Index total return
Six months ended 31 January 2021
+19.7%
Year ended 31 July 2020 +1.9%

MSCI AC Asia Pacific ex Japan Small Cap Index total return
Six months ended 31 January 2021
+20.5%
Year ended 31 July 2020 –2.5%

Discount to net asset value[A]
As at 31 January 2021
11.0%
As at 31 July 2020 11.4%

Ongoing charges ratio[A]
As at 31 January 2021
1.11%
As at 31 July 2020 1.09%

Net Asset Value per Ordinary share
As at 31 January 2021
1,319.9p
As at 31 July 2020 1,106.5p

Share price per Ordinary share
As at 31 January 2021
1,175.0p
As at 31 July 2020 980.0p

Total assets
As at 31 January 2021
£485.5m
As at 31 July 2020 £405.7m

[A] Considered to be an Alternative Performance Measure as defined on pages 25 and 26.

Financial Highlights

Capital values	31 January 2021	31 July 2020	% change
Total assets[A]	£485,483,000	£405,653,000	+19.7
Net asset value per Ordinary share	1,319.88p	1,106.45p	+19.3
Share price per Ordinary share (mid market)	1,175.00p	980.00p	+19.9
Discount to net asset value per Ordinary share[B]	11.0%	11.4%	
Net gearing[B]	10.9%	9.9%	
Ongoing charges ratio[B]	1.11%	1.09%	

[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 25 and 26.

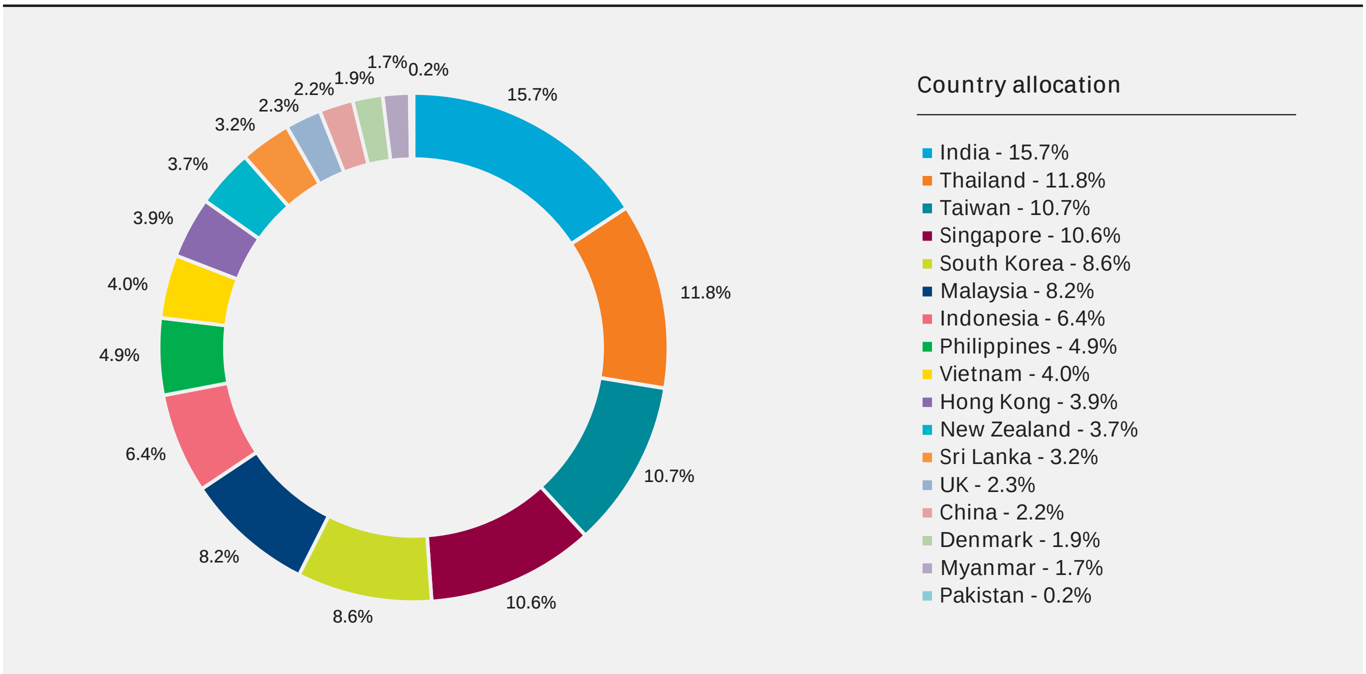
"Smaller Asian companies' shares rose sharply over the six months, with gains across all markets. Investors welcomed the rollout of vaccines in many countries, alongside improved prospects for the region's economic recovery"

Nigel Cayzer,
Chairman

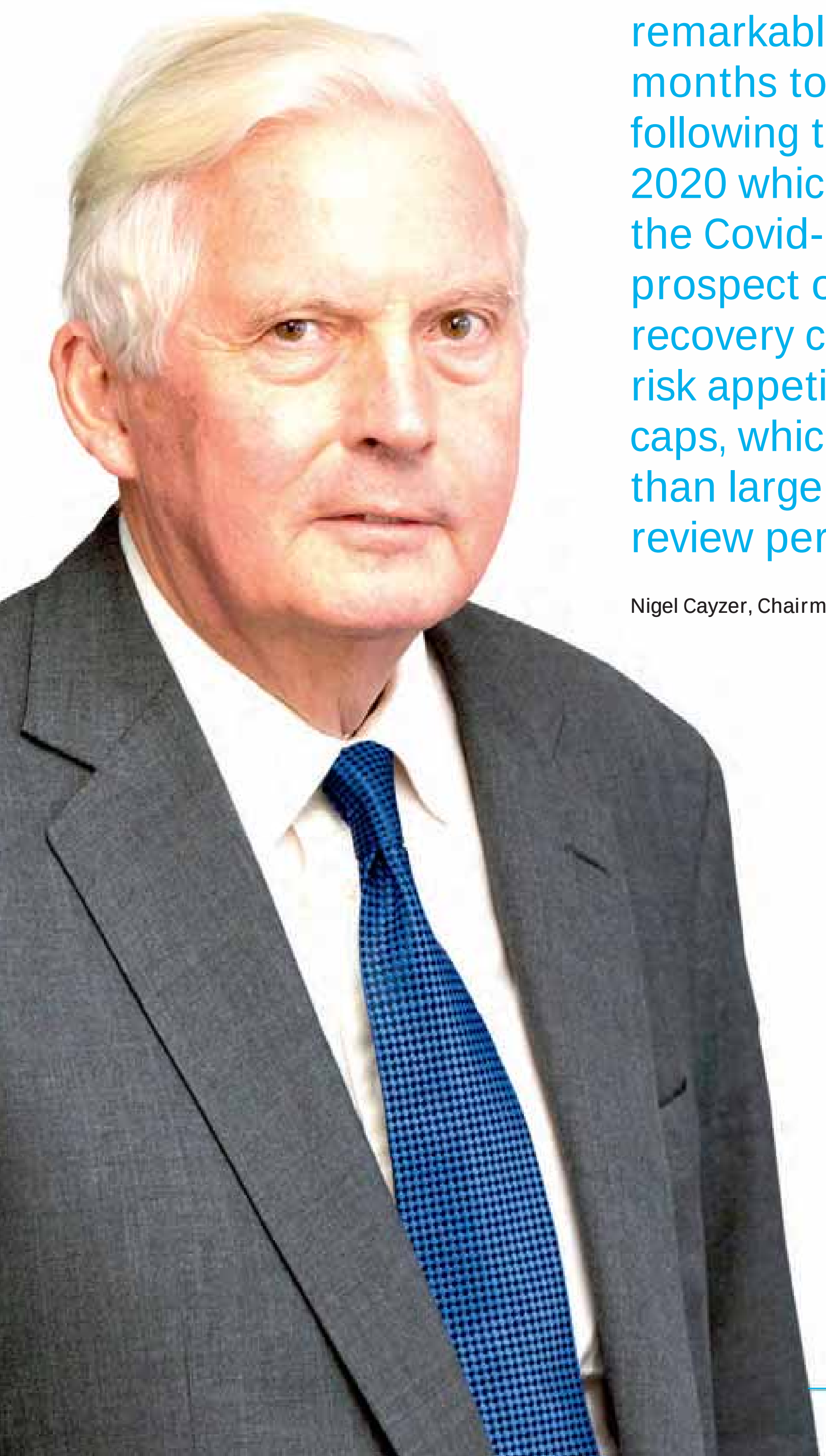
Financial Calendar

Financial year end	31 July 2021
Announcement of unaudited half yearly results for the six months ended 31 January 2021	14 April 2021
Annual General Meeting (London)	7 December 2021
Payment of final dividend	13 December 2021

Geographic Breakdown of Portfolio



Chairman's Statement



"Global stock markets enjoyed a remarkable rebound in the six months to 31 January 2021, following the Great Lockdown of 2020 which aimed to contain the Covid-19 outbreak. The prospect of a global economic recovery came with a greater risk appetite for Asian small caps, which began to rise faster than large caps during the review period."

Nigel Cayzer, Chairman

Background

Global stock markets enjoyed a remarkable rebound in the six months to 31 January 2021, following the Great Lockdown of 2020 which aimed to contain the Covid-19 outbreak. The prospect of a global economic recovery came with a greater risk appetite for Asian small caps, which began to rise faster than large caps during the review period. This reversed the trend of the past three years, when Asian small caps rose by 14%, trailing their larger counterparts which gained 27%.

Against this backdrop, your Company's net asset value ("NAV") total return rose 21.2% in sterling terms, compared to the MSCI AC Asia Pacific ex-Japan Small Cap Index's advance of 20.5% and the 19.7% return of the large cap MSCI AC Asia Pacific ex Japan Index. Meanwhile, the share price discount to NAV narrowed slightly, from 11.4% to 11.0%, with an increase in your Company's share price total return of 22.1%. At the time of writing the discount has narrowed further to 9.3%.

While the pandemic caused widespread hardship, the disruption gave governments opportunities to press for reforms. China pivoted from its focus on industry upgrading towards spurring consumption via more egalitarian wealth distribution. Not to be outdone, India championed agricultural reform to promote investment and place the sector on a better footing to compete globally, although this is being met with significant pushback from many small farmers who feel their livelihoods will be threatened with the reforms currently suspended pending a review. Investors also anticipated a pro-business fiscal budget, the extent of which exceeded expectations when announced in February. Elsewhere, Indonesia enacted an Omnibus Law that consolidated a raft of measures, including the Jobs Creation Bill. This more liberal regime could be a game-changer in funnelling foreign investments into a myriad of industries, ranging from communications and technology to energy and tourism. While I am heartened by the resolve shown by Asian leaders to push through these long-awaited reforms, investors showed their approval in more tangible terms: the Indonesian market gained by more than 40%, whereas India's rose by more than 30%.

At the company level, the environment for travel-related businesses remained difficult. Fortunately, your Company's exposure to this sector is limited. I am also encouraged by how many of your Company's holdings have weathered the storm well, thanks to their high-quality franchises and solid balance sheets, with many displaying resilient earnings into the final quarter of the calendar year. This underscores the importance of understanding the 'nuts and bolts' of a business and picking quality stocks. To this end, your Manager focuses on financially robust companies, usually leaders within their fields; and such businesses tend to stay resilient over the long term. The success of this strategy is evident in the Company's track record. Over the past decade, your Company's NAV has returned 9.2% on an annualised basis, compared to the returns of 5.5% and 8.7% of the MSCI AC Asia Pacific ex-Japan Small Cap Index and the large cap MSCI AC Asia Pacific ex Japan Index respectively.

Overview

Smaller Asian companies' shares rose sharply over the six months, with gains across all markets. Investors welcomed the rollout of vaccines in many countries, alongside improved prospects for the region's economic recovery. Adding to the cheer were hopes that the US$1.9 trillion pandemic relief bill proposed by US President Joe Biden's administration would boost demand for their exports.

Besides Indonesia and India, mentioned above, other markets that performed well include New Zealand, the Philippines, and South Korea. Share prices in New Zealand rose to record highs as its economy rebounded sharply in the third quarter amid its successful management of the pandemic. Meanwhile, Philippine stocks were buoyed by the aggressive easing of monetary policy. Elsewhere in South Korea, hopes of a post-pandemic pick-up in the installation of 5G networks boosted smaller companies in the semiconductor supply chain, along with their customers in technology hardware.

On the economic front, the region generally fared better than countries in the western hemisphere.

On the economic front, the region generally fared better than countries in the western hemisphere. Among markets that comprise a sizeable portion of your Company's holdings, Taiwan did particularly well. The island grew even faster than China, the only major economy to expand last year. Taiwan and South Korea have a dominant role in the semiconductor supply chain and benefited from accelerated demand for electronics during the pandemic. Among the other major economies, South Korea's economic contraction was one of the mildest, followed by Indonesia.

Portfolio Review

Your Company's holdings in technology, the portfolio's largest sector exposure, and communications services fared very well amid accelerating demand for digital solutions, as work-from-home emerged as a trend to stay, alongside longer-term ones, such as artificial intelligence and the Internet of Things.

Chairman's Statement Continued

Some of the Company's best-performing holdings gained from these structural shifts and many of these are a consequence of our refreshment of the portfolio a few years ago. Affle India's ability to handle vast amounts of data to deliver more targeted advertising on mobile devices underpinned its share price surge, given the massive potential for growth in digital advertising in India. Cyient was boosted by an improving demand outlook for engineering and technology services, with expectations that it is at the start of a multi-year upgrading cycle. In Thailand, contract manufacturer Hana Microelectronics was helped by the recovery of global smartphone shipments. In South Korea, Park Systems' advancement in microscopes was beneficial amid chipmakers' push towards greater miniaturisation. In Taiwan, leading TV and online retailer Momo.com posted robust earnings growth as people stayed at home, resulting in increased demand for online services.

Singapore's Nanofilm Technologies, a recent introduction to the portfolio, also boosted performance. Its competitive edge lies in its proprietary technology in coatings for smartphones, laptops and tablets. The coating adds both functional and aesthetic characteristics, improving the parts by making them more resistant to wear and tear. Although its revenues are largely derived from the Apple supply chain, this also means its growth is hitched to the popularity of Apple's products. Your Manager is confident of its long-term prospects, as it is on the cusp of commercialising new products in existing markets while expanding into new ones. Nanofilm is one of several companies introduced during this period in interesting technological niches that are well-placed to be winners in the longer term.

Among holdings exposed to tourism, John Keells was a top contributor despite the sector still bearing the brunt of ongoing border closures. The leading conglomerate in Sri Lanka is one of the portfolio's many off-benchmark investments, and its performance speaks well of your Manager's quality-focused investment style. Its hospitality business in the Maldives began to recover when the country became one of the first to allow international travellers to enter without strict quarantines. Its other more domestic-oriented businesses, such as supermarkets and financial services, benefited from an improving outlook for policy reforms under a relatively new government in Sri Lanka.

In the financial services sector, the Company's holdings proved resilient even though higher credit risk and a low-interest rate environment led to weak loan growth and falling profitability. Thai consumer credit company AEON Thana Sinsap, for instance, rallied on news that its earnings were much better than expected, while New Zealand's exchange operator NZX enjoyed robust trading volumes and healthy growth from its wealth management platform.

In contrast, the lack of exposure to some green energy companies in China proved costly. Some of these companies saw meteoric gains in their share prices, helped by Beijing's pledge to achieve net-zero carbon emissions by 2060. Solar power installations grew rapidly as the price of the new energy source became as low as that of traditional sources, such as coal. The Chinese market also enjoyed an electric vehicle boom, bolstered by government investments to build the necessary infrastructure, such as charging points. Green businesses are also likely to be boosted by the Biden administration's refocus on climate change. Your Manager is looking closely at opportunities that may arise from these developments.

Outlook

Swift responses to curb the spread of the coronavirus have set the stage for a sharp rebound in Asian economic activity, and consequently corporate earnings. In most of North Asia, life has largely returned to a new normal. Moreover, the rest of Asia is supported by resilience in China, given its importance as a key trading partner to many regional markets. There is also optimism around a wider economic recovery, given the vaccine rollouts and the prospect of greater US federal spending, following last year's loose monetary policy worldwide. With these in mind, I believe Asian smaller companies are well-positioned to outperform after a long period of underperformance relative to their larger counterparts.

Swift responses to curb the spread of the coronavirus have set the stage for a sharp rebound in Asian economic activity, and consequently corporate earnings.

More broadly, Asia remains the powerhouse of global growth, with huge potential for wealth creation over the coming decades. The portfolio offers exposure to sectors supplying hardware, software and platforms for the latest consumer electronics, artificial intelligence and the Internet of Things. Moreover, it is also positioned in more traditional sectors, addressing the region's increasing urbanisation and infrastructure needs, as well as rising demand for healthcare and more aspirational consumer goods. Your Manager's focus on quality businesses ensures that the portfolio is well-placed to benefit from these trends and the overall growth in the region.

Share Capital Management and Gearing

During the period 782,500 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 147,500 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 2021 was 10.9%. On 1 December 2020 the Board extended and secured the Company's long-term borrowings through the issuance of a £30 million 15 year Senior Unsecured Loan Note (the "Loan Note") to MetLife at an annualised interest rate of 3.05%. The Loan Note is unsecured, unlisted and denominated in sterling. The Loan Note ranks pari passu with the Company's other unsecured and unsubordinated financial indebtedness. The Company used the proceeds of the Loan Note to repay, and cancel in full, the Company's loan facility with The Royal Bank of Scotland International. The new Loan Note has provided the Manager with greater flexibility and additional cash resources to take advantage of investment opportunities that are expected to arise over the coming period. Under the terms of the Loan Note up to an additional £35 million will also be available for drawdown by the Company for a five-year period. The Board's current intention would be to only draw this down to repay any of the Company's existing Convertible Unsecured Loan Stock, either at their redemption in 2025, or before.

Gearing is also provided by the Convertible Unsecured Loan Stock redeemable in 2025, of which approximately £36.7m million remains outstanding. At 14 April 2021, the latest practicable date, the net gearing stood at 13.3%.

Directorate

As indicated in the 2020 Annual Report, Phil Yea retired from the Company's Board at the AGM on 1 December 2020. I would like to take this opportunity to reiterate the Board's thanks to Phil for his significant contribution as a Director since his appointment in 2014 and latterly for his expert guidance as Audit Committee Chairman. With effect from the conclusion of the December 2020 AGM Debby Guthrie was appointed Chair of the Audit Committee.

On 27 November 2020, after careful consideration and in light of his current and future commitments, Martin Gilbert decided to step down as a Director of the Company. I would like to thank Martin personally for the outstanding guidance, counsel and commercial insight that he has provided to the Board, and to me as Chairman, since his appointment to the Company at its launch in 1995. Martin was instrumental in setting up the Company and this foresight has been key to the success of the Company. Over his period of tenure as a Director of the Company, the net asset value of a £1,000 investment in the Company had risen to £18,295 coupled with a rise in the annual dividend from 1.2p in 1996 to 19.0p in 2020.

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Principal Risks and Uncertainties

The principal risks and uncertainties affecting the Company are set out in detail on pages 14 to 16 of the Annual Report and Financial Statements for the year ended 31 July 2020 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.

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 impacting 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.

The Board is also very conscious of the risks emanating from increased environmental, social and governance challenges. The recent scrutiny by western governments of human rights violations in Xinjiang is an example of the need for continued vigilance regarding the supply chain exposure of investee companies and the fair and humane treatment of workers. Likewise, as climate change pressures mount, the Board

Chairman's Statement Continued

continues to monitor, through its Manager, the potential risk that investee companies may fail to keep pace with the appropriate rates of change and adaption. The Board will expand on these issues in greater detail in our full year report. In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of the 2020 Annual Report.

Investment Management Agreement

As part of its regular review of arrangements with the Company's service providers, the Board has agreed a reduction in the level of notice period for the investment management agreement from 12 months to three months which is effective from 1 January 2022. This amendment brings the notice period into line with best practice seen across the funds sector.

Going Concern

The Directors have conducted a thorough review of the Company's ability to continue as a going concern with particular focus on the impact of the Covid-19 pandemic. During the review period the Board has been regularly updated by the Manager on the resilience of the Manager's systems as well as those of the other key third party service providers. The Board is satisfied that suitable business interruption plans are in place and working from home arrangements have proved effective throughout the course of the pandemic.

During the period the Board was able to repay the Company's loan facilities with The Royal Bank of Scotland International and introduce new long term gearing in the form of Senior Unsecured Loan Notes 2035 that were issued to MetLife. The Board monitors the Company's covenant compliance and gearing levels regularly and is satisfied that there is sufficient headroom in place and flexibility if required.

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 at least the next 12 months. Accordingly, the Board continues to adopt the going concern basis in preparing the financial statements.

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
14 April 2021

Ten Largest Investments

As at 31 January 2021

3.9%
Total assets

Park Systems Corporation
The Korean company is the leading developer of atomic force microscopes, a nascent technology that could have broad industrial application in sectors such as chip-making and biotechnology. The company's financials are sound, despite significant upfront sales and distribution costs, which provides a solid base for earnings to grow when orders start to roll in.

3.8%
Total assets

MOMO.com
Momo, the largest online retailer in Taiwan, serves as a nice proxy for consumer growth in the country, as it is benefiting from the shift to online from both consumers and vendors.

3.3%
Total assets

Bank OCBC NISP
The Indonesian subsidiary of Singapore-based OCBC Bank offers banking and financial services and is focused on expanding its digital banking solutions.

3.3%
Total assets

Affle India
A consumer technology business operating a data platform that helps direct digital advertising. It is dominant in India where digitalisation has reached an inflection point. This should support growth for several years.

3.1%
Total assets

John Keells Holdings
A respected and reputable Sri Lanka conglomerate with a healthy balance sheet and good execution, John Keells has a hotels and leisure segment that includes properties in the Maldives. It has other interests in consumer (food and beverages, ice cream, retail and supermarket) transportation (bunkering and container port) and financial services (banking and life insurance).

3.1%
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.

2.9%
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

Aegis Logistics
A strong and conservative player in India's gas and liquids logistics sector, with a first mover advantage in key ports and a fair amount of capacity expansion to come.

2.5%
Total assets

Mega Lifesciences (Foreign)
The Thai group produces, sells and distributes health supplements and pharmaceutical products mostly in the under-penetrated but fast-growing frontier and emerging markets. Its first mover advantage in these markets, coupled with a strong brand, has enabled Mega to maintain its high margins over the past several years, while growing revenue.

2.4%
Total assets

Cebu Holdings
The Philippine company, a subsidiary of Ayala Land, is the largest property developer in Cebu with a decent land bank.

Investment Portfolio

As at 31 January 2021

Company	Industry	Country	Valuation £'000	Total assets %
Park Systems Corporation	Electronic Equipment, Instruments & Components	South Korea	18,847	3.9
MOMO.com	Internet & Direct Marketing Retail	Taiwan	18,720	3.8
Bank OCBC NISP	Banks	Indonesia	15,961	3.3
Affle India	Media	India	15,924	3.3
John Keells Holdings	Industrial Conglomerates	Sri Lanka	15,096	3.1
AEM Holdings	Semiconductors & Semiconductor Equipment	Singapore	15,041	3.1
Hana Microelectronics (Foreign)	Electronic Equipment, Instruments & Components	Thailand	13,994	2.9
Aegis Logistics	Oil, Gas & Consumable Fuels	India	13,126	2.7
Mega Lifesciences (Foreign)	Pharmaceuticals	Thailand	12,058	2.5
Cebu Holdings	Real Estate Management & Development	Philippines	11,661	2.4
Top ten investments			150,428	31.0
Nanofilm Technologies International	Chemicals	Singapore	11,534	2.4
Nam Long Investment Corporation	Real Estate Management & Development	Vietnam	11,282	2.3
Asian Terminals	Transportation Infrastructure	Philippines	11,088	2.3
Cyient	Software	India	10,972	2.3
M.P. Evans Group	Food Products	United Kingdom	10,646	2.2
Sporton International	Professional Services	Taiwan	10,332	2.1
Millennium & Copthorne Hotels New Zealand[A]	Hotels, Restaurants & Leisure	New Zealand	10,160	2.1
Precision Tsugami China Corporation	Machinery	China	10,052	2.0
Pacific Basin Shipping	Marine	Hong Kong	9,842	2.0
Oriental Holdings	Automobiles	Malaysia	9,567	2.0
Top twenty investments			255,903	52.7
Godrej Agrovet	Food Products	India	9,263	1.9
Dah Sing Financial Holdings	Banks	Hong Kong	9,090	1.9
Sanofi India	Pharmaceuticals	India	8,914	1.9
United International Enterprises	Food Products	Denmark	8,890	1.8
Ultrajaya Milk Industry & Trading	Food Products	Indonesia	8,810	1.8
AEON Thana Sinsap Thailand (Foreign)	Consumer Finance	Thailand	8,472	1.8
Taiwan Union	Electronic Equipment, Instruments & Components	Taiwan	8,388	1.7
Yoma Strategic Holdings	Real Estate Management & Development	Myanmar	7,944	1.6
Thai Stanley Electric (Foreign)	Auto Components	Thailand	7,861	1.6
FPT Corporation	Electronic Equipment, Instruments & Components	Vietnam	7,541	1.6
Top thirty investments			341,076	70.3

As at 31 January 2021

Company	Industry	Country	Valuation £'000	Total assets %
AEON Credit Service (M)	Consumer Finance	Malaysia	7,222	1.5
NZX	Capital Markets	New Zealand	7,116	1.5
Ujjivan Financial Services	Consumer Finance	India	7,065	1.5
Sunonwealth Electric Machinery Industry	Machinery	Taiwan	7,021	1.4
Bukit Sembawang Estates	Real Estate Management & Development	Singapore	6,983	1.4
Koh Young Technology	Semiconductors & Semiconductor Equipment	South Korea	6,805	1.4
Shangri-La Hotels Malaysia	Hotels, Restaurants & Leisure	Malaysia	6,769	1.4
Raffles Medical	Health Care Providers & Services	Singapore	6,065	1.2
Tisco Financial Group (Foreign)	Banks	Thailand	6,024	1.2
United Plantations	Food Products	Malaysia	5,665	1.2
Top forty investments			407,811	84.0
Absolute Clean Energy (ACE)	Independent Power and Renewables	Thailand	5,608	1.2
Pentamaster International	Machinery	Malaysia	5,585	1.2
First Sponsor Group[B]	Real Estate Management & Development	Singapore	5,301	1.1
Douzone Bizon	Software	South Korea	5,165	1.1
Aspeed Technology	Semiconductors & Semiconductor Equipment	Taiwan	4,981	1.0
AKR Corporindo	Oil, Gas & Consumable Fuels	Indonesia	4,827	1.0
Prestige Estates Projects	Real Estate Management & Development	India	4,476	0.9
Credit Bureau Asia	Professional Services	Singapore	3,964	0.8
AEON Credit Service (Asia)	Consumer Finance	Hong Kong	3,899	0.8
Sygene International	Life Sciences Tools & Services	India	3,681	0.7
Top fifty investments			455,298	93.8
Convenience Retail Asia	Food & Staples Retailing	Hong Kong	3,166	0.7
Manulife Holdings	Insurance	Malaysia	1,521	0.3
AEON Co (M)	Multiline Retail	Malaysia	1,414	0.3
Goodyear Thailand (Foreign)	Auto Components	Thailand	1,137	0.2
ORIX Leasing Pakistan	Consumer Finance	Pakistan	1,092	0.2
SBS Transit	Road & Rail	Singapore	761	0.2
AEON Stores Hong Kong	Multiline Retail	Hong Kong	694	0.1
Public Financial Holdings	Banks	Hong Kong	514	0.1
YNH Property	Real Estate Management & Development	Malaysia	508	0.1
Ecloudvalley Digital Technology	IT Services	Taiwan	266	0.1
Top sixty investments			466,371	96.1

Investment Portfolio Continued

As at 31 January 2021

Company	Industry	Country	Valuation £'000	Total assets %
Mustika Ratu	Personal Products	Indonesia	101	–
G3 Exploration	Oil, Gas & Consumable Fuels	China	–	–
Total investments			466,472	96.1
Net current assets			19,011	3.9
Total assets[C]			485,483	100.0

[A] Holding includes investment in both common and preference lines.
[B] Holding includes investment in both common and warrant lines.
[C] Total assets less current liabilities excluding bank loans.

Investment Case Studies

Aspeed Technology

In which year did we first invest?	2020
Holding:	1.0%
Where is their head office?	Hsinchu City, Taiwan
What is their web address?	www.aspeedtech.com

What does the company do?
Aspeed is the world's leading designer of chips for server control. These chips sit on virtually every server motherboard across datacentres worldwide, allowing users to remotely manage a server, from basic functions such as monitoring and controlling temperature, memory and power to keyboard management and video graphics. It is a niche area of the semiconductor industry and the interface between system-management software and the server hardware.

Why do we like the investment?
We think Aspeed is a good proxy for the structural growth in data usage and server demand. This is on the back of industry trends, such as the shift towards 5G, big data and cloud computing, which have accelerated in the Covid-19 environment. The company has hardly any competitors left in this structurally expanding industry and owns all of its intellectual property. As a pure "design house" without its own manufacturing facilities, its return and cash flow profile is impressive, backed by a net cash balance sheet. Aspeed has delivered revenue and profit growth every year since it was founded in 2004 with 30%-plus earnings growth annually for the best part of the last decade. This bodes well for continued steady returns to its shareholders in the form of growth and dividends. We expect its longer-term prospects to be supported by growth in both the Chinese and US hyperscale markets, with robust orders coming from customers such as Amazon, Facebook and the Chinese server vendors, Alibaba & Tencent. This is in addition to its new product launches including a 360-degree camera which if successful could drive a move towards more consumer-facing electronics.

On the ESG front, the company has employed green design concepts and simplified product structures throughout its research and development process in order to reduce pollution of the environment. It continues to invest in R&D to obtain superior core technologies and this should continue to cement its leadership position in the industry. The company is aligned with the goals of the Climate Change Program and Global e-Sustainability Initiative, whose joint conflict-free sourcing initiative helps companies to source conflict-free minerals and metals, such as tin, gold, tantalum, and tungsten in the case of Aspeed. With regard to corporate social responsibility, Aspeed has endeavoured to be a good corporate citizen in its home market, being involved in a project through which 600 new books are supplied annually to schools in remote rural areas to instil the habit of reading among these rural children from an early age.

Investment Case Studies Continued

Ujjivan Financial Services

In which year did we first invest?	2020
Holding:	1.5%
Where is their head office?	Bengaluru, India
What is their web address?	www.ujjivan.com

What does the company do?

Ujjivan Financial Services is the largest microfinancing institution in India, providing to the economically active poor who are not adequately served by larger financial institutions. Its operations are spread across 24 states and union territories and 209 districts.

Why do we like the investment?

We view Ujjivan as one of the more promising small-cap prospects in India's financial sector. Although it has a relatively short history as a small finance bank, it has demonstrated a decent enough track record in managing its microfinancing institutions (MFI) loan book. With a well thought out digital strategy, capable management with a good reputation, the bank is on the right track to achieve a more balanced MFI and non-MFI portfolio mix, catering to the low-income and mass market segment, and having a sustainable funding source by growing its current and savings account deposit franchise.

In the current environment, Covid-19 has been a setback to Ujjivan's growth plans but otherwise, management is executing well in shoring up its deposit base and improving its cost structure through digital initiatives. We have faith that its management has the potential to transform Ujjivan into a digitalised mass market bank. The relatively new CEO has over 26 years of retail and digital banking experience, of which 18 was with HDFC Bank where his last role was as the head of digital banking.

The company's strategy is three pronged: rebalance its MFI and non-MFI asset mix from 80:20 to 50:50 in five years; improve its liability franchise and shift towards retail deposits and away from institutional deposits; and continue digitalising the bank. Management has made good progress on digital transactions, internal automation and fintech tie-ups, which will help the company achieve its goal of reducing its cost to income ratio to 55% by financial year 2022.

Being a micro lender, Ujjivan fits well with the theme of financial inclusion. Its strategy and financial services help to increase credit provision and the use of formal financial services. This moves individuals into the formal economy, and reduces inequality as a result. It is the sole lender to 20% of its customers, with the express purpose to work as a "change agent" in people's lives, especially the economically disenfranchised. Hence, it is aligned with one of the United Nations' sustainable development goals of reducing inequality. The company also has a philanthropic arm in the Piramal Foundation, which undertakes projects under four broad areas – healthcare (including the Piramal Swasthya project), education, livelihood creation and youth empowerment. In addition, the company's Parinaam Foundation is a not-for-profit company that primarily works with the poor in the areas of financial literacy, livelihood, education and community development.

Condensed Statement of Comprehensive Income (unaudited)

		Six months ended 31 January 2021			Six months ended 31 January 2020		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		–	74,934	74,934	–	(38,530)	(38,530)
Income	2	3,591	–	3,591	4,441	–	4,441
Exchange (losses)/gains		–	(287)	(287)	–	864	864
Investment management fees		(1,651)	–	(1,651)	(1,715)	–	(1,715)
Administrative expenses		(576)	–	(576)	(576)	–	(576)
Net return/(loss) before finance costs and taxation		1,364	74,647	76,011	2,150	(37,666)	(35,516)
Finance costs		(746)	–	(746)	(792)	–	(792)
Net return/(loss) before taxation		618	74,647	75,265	1,358	(37,666)	(36,308)
Taxation	3	(107)	(2,109)	(2,216)	(229)	(980)	(1,209)
Return/(loss) attributable to equity shareholders		511	72,538	73,049	1,129	(38,646)	(37,517)
Return/(loss) per share (pence)	4						
Basic		1.60	226.87	228.47	3.37	(115.48)	(112.11)
Diluted		n/a	210.39	212.13	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 2021 £'000	As at 31 July 2020 £'000
Non-current assets			
Investments at fair value through profit or loss		466,472	394,467
Current assets			
Debtors and prepayments		853	1,541
Cash and short-term deposits		20,462	10,919
		21,315	12,460
Creditors: amounts falling due within one year			
Bank loans	6	–	(11,200)
Other creditors		(2,304)	(1,274)
		(2,304)	(12,474)
Net current assets/(liabilities)		19,011	(14)
Total assets less current liabilities		485,483	394,453
Non-current liabilities			
2.25% Convertible Unsecured Loan Stock 2025	7	(35,605)	(35,497)
3.05% Senior Unsecured Loan Note 2035	6	(29,884)	–
Deferred tax liability on Indian capital gains		(2,109)	–
		(67,598)	(35,497)
Net assets		417,885	358,956
Capital and reserves			
Called-up share capital	8	10,434	10,434
Capital redemption reserve		2,062	2,062
Share premium account		60,393	60,377
Equity component of 2.25% Convertible Unsecured Loan Stock 2025	7	1,057	1,057
Capital reserve		333,195	268,750
Revenue reserve		10,744	16,276
Equity shareholders' funds		417,885	358,956
Net asset value per share (pence)	9		
Basic		1,319.88	1,106.45
Diluted		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 2021

	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 2020	10,434	2,062	60,377	1,057	268,750	16,276	358,956
Purchase of own shares to treasury	–	–	–	–	(8,093)	–	(8,093)
Conversion of 2.25% Convertible Unsecured Loan Stock 2025 (note 7)	–	–	16	–	–	–	16
Return after taxation	–	–	–	–	72,538	511	73,049
Dividends paid (note 5)	–	–	–	–	–	(6,043)	(6,043)
Balance at 31 January 2021	10,434	2,062	60,393	1,057	333,195	10,744	417,885

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

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

Condensed Statement of Cash Flows (unaudited)

	Six months ended 31 January 2021 £'000	Six months ended 31 January 2020 £'000
Operating activities		
Net gain/(loss) before finance costs and taxation	76,011	(35,516)
Adjustments for:		
Dividend income	(3,591)	(4,421)
Interest income	–	(19)
Other income	–	(1)
Dividends received	4,396	5,141
Interest received	–	20
Other income received	–	1
Interest paid	(480)	(668)
(Gains)/losses on investments	(74,934)	38,530
Currency losses/(gains)	287	(864)
Increase in prepayments	(21)	(24)
Decrease/(increase) in other debtors	9	(8)
Decrease in other creditors	(30)	(1)
Stock dividends included in investment income	(74)	(160)
Overseas withholding tax suffered	(121)	(272)
Net cash flow from operating activities	1,452	1,738
Investing activities		
Purchases of investments	(37,146)	(38,145)
Sales of investments	41,074	53,129
Capital gains tax on sales	–	(44)
Net cash flow from investing activities	3,928	14,940
Cash flows from financing activities		
Purchase of own shares to treasury	(8,190)	(9,999)
2.25% Convertible Unsecured Loan Stock 2025 issue expenses rebate	–	65
Repayment of loan	(11,200)	(2,037)
Issue of 3.05% Senior Unsecured Loan Note 2035	29,883	–
Equity dividends paid	(6,043)	(6,367)
Net cash flow from/(used in) financing activities	4,450	(18,338)
Increase/(decrease) in cash and cash equivalents	9,830	(1,660)
Analysis of changes in cash and cash equivalents during the period		
Opening balance	10,919	10,239
Increase/(decrease) in cash and cash equivalents as above	9,830	(1,660)
Effect of exchange rate fluctuations on cash held	(287)	(441)
Closing balance	20,462	8,138

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

Notes to the Financial Statements

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 2021 £'000	Six months ended 31 January 2020 £'000
Income from investments		
Overseas dividends	3,432	4,162
Overseas interest	–	15
Stock dividends	74	160
UK dividend income	85	84
	3,591	4,421
Other income		
Other income	–	1
Deposit interest	–	19
	–	20
Total income	3,591	4,441

3. **Taxation.** The taxation charge for the period allocated to revenue represents withholding tax suffered on overseas dividend income. The taxation charge for the period allocated to capital represents capital gains tax arising on the sale of Indian equity investments.

4. Return/(loss) per Ordinary share

	Six months ended 31 January 2021 p	Six months ended 31 January 2020 p
Basic		
Revenue return	1.60	3.37
Capital return/(loss)	226.87	(115.48)
Total return/(loss)	228.47	(112.11)

The figures above are based on the following:

	£'000	£'000
Revenue return	511	1,129
Capital return/(loss)	72,538	(38,646)
Total return/(loss)	73,049	(37,517)
Weighted average number of shares in issue[A]	31,973,225	33,466,971

Notes to the Financial Statements Continued

Diluted[B]	Six months ended 31 January 2021 p	Six months ended 31 January 2020 p
Revenue return	n/a	n/a
Capital return	210.39	n/a
Total return	212.13	n/a

The figures above are based on the following:

	£'000	£'000
Revenue return	599	1,123
Capital return/(loss)	72,538	(37,709)
Total return/(loss)	73,137	(36,586)
Number of dilutive shares	2,504,428	2,517,515
Diluted shares in issue[AB]	34,477,653	35,984,486

[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 2,504,428 (31 January 2020 – 2,517,515) to 34,477,653 (31 January 2020 – 35,984,486) Ordinary shares.

For the six months ended 31 January 2021 the assumed conversion for potential Ordinary shares was non–dilutive to the revenue return per Ordinary share (31 January 2020 – dilutive) and dilutive to the capital return per Ordinary share (31 January 2020 – non–dilutive). Where dilution occurs, the net returns are adjusted for interest charges and issue expenses relating to the CULS (31 January 2021 – £88,000; 31 January 2020 – £(5,000)). 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 2021 £'000	Six months ended 31 January 2020 £'000
Final dividend for 2020 – 14.50p (2019 – 14.00p)	4,612	4,691
Special dividend for 2020 – 4.50p (2019 – 5.00p)	1,431	1,676
	6,043	6,367

6. **Senior Unsecured Loan Note and bank loan.** The Company's £20,000,000 multicurrency revolving loan facility with The Royal Bank of Scotland International Limited ("RBSI") matured on 1 December 2020 and the £11,200,000 that had been drawn down was repaid in full.

On 1 December 2020 the Company issued a £30,000,000 15 year Senior Loan Note at a fixed rate of 3.05%. Interest is payable in half yearly instalments in June and December and the Loan Note is due to be redeemed at par on 1 December 2035. The issue costs of £117,000 will be amortised over the life of the loan note. The Company has complied with the Note Purchase Agreement that the ratio of total borrowings to adjusted net assets will not exceed 0.20 to 1.00, that the ratio of total borrowings to adjusted net liquid assets will not exceed 0.60 to 1.00, that net tangible assets will not be less than £225,000,000 and that the minimum number of listed assets will not be less than 40.

The fair value of the Senior Unsecured Loan Note as at 31 January 2021 was £31,081,000, the value being based on a comparable quoted debt security.

Overview
Portfolio
Financial Statements
General Information
Corporate Information

7. 2.25% Convertible Unsecured Loan Stock 2025 ("CULS")

	Nominal £'000	Liability component £'000	Equity component £'000
Balance at beginning of period	36,694	35,497	1,057
Conversion of CULS into Ordinary shares	(16)	(16)	–
Notional interest on CULS	–	77	–
Amortisation of issue expenses	–	47	–
Balance at end of period	36,678	35,605	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 2021 the holders of £16,359 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 £16,359 (31 July 2020 – £251,001) nominal amount of CULS into 1,110 (31 July 2020 – 17,116) Ordinary shares.

As at 31 January 2021, there was £36,677,872 (31 July 2020 – £36,694,231) nominal amount of CULS in issue.

8. Called–up share capital. During the six months ended 31 January 2021 782,500 (31 January 2020 – 918,256) Ordinary shares were bought back to be held in treasury at a total cost of £8,093,000 (31 January 2020 – £9,913,000). During the six months ended 31 January 2021 an additional 1,110 (31 July 2020 – 17,116) Ordinary shares were issued after £16,359 nominal amount of 2.25% Convertible Unsecured Loan Stock 2025 were converted at 1465.0p each (31 July 2020 – £251,001). The total consideration received was £nil (31 July 2020 – £nil). At the end of the period there were 41,737,237 (31 July 2020 – 41,736,127) Ordinary shares in issue, of which 10,076,418 (31 July 2020 – 9,293,918) were held in treasury.

Subsequent to the period end, a further 147,500 Ordinary shares were bought back to be held in treasury at a total cost of £1,801,000.

Notes to the Financial Statements Continued

9. Net asset value per equity share

	As at 31 January 2021	As at 31 July 2020
Basic		
Net assets attributable	£417,885,000	£358,956,000
Number of Ordinary shares in issue[A]	31,660,819	32,442,209
Net asset value per Ordinary share	1,319.88p	1,106.45p
Diluted[B]		
Net assets attributable	£453,490,000	£394,453,000
Number of Ordinary shares	34,164,428	34,946,935
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 £36,677,872 (31 July 2020 – 36,694,231) 2.25% Convertible Unsecured Loan Stock 2025 ("CULS") are converted at 1,465.0p per share, giving a total of 34,164,428 (31 July 2020 – 34,946,935) 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 2021 the NAV was 1,319.88p and thus the CULS were not 'in the money' (31 July 2020 – same).

10. 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/(losses) on investments in the Condensed Statement of Comprehensive Income. The total costs were as follows:

	Six months ended 31 January 2021 £'000	Six months ended 31 January 2020 £'000
Purchases	114	86
Sales	69	43
	183	129

11. Analysis of changes in net debt

	At 31 July 2020 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 31 January 2021 £'000
Cash and short-term deposits	10,919	(287)	9,830	–	20,462
Debt due within one year	(11,200)	–	11,200	–	–
Debt due after more than one year	(35,497)	–	(29,883)	(109)	(65,489)
	(35,778)	(287)	(8,853)	(109)	(45,027)

	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)

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.

12. **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 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 2021	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Quoted equities	462,606	–	–	462,606
Quoted preference shares	–	3,432	–	3,432
Quoted warrants	–	434	–	434
Net fair value	462,606	3,866	–	466,472

As at 31 July 2020	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Quoted equities	390,102	–	–	390,102
Quoted preference shares	4,326	–	–	4,326
Quoted warrants	39	–	–	39
Net fair value	394,467	–	–	394,467

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.

Quoted preference shares and quoted warrants. The fair value of the Company's investments in quoted preference shares and quoted warrants has been determined by reference to their quoted bid prices at the reporting date. Investments categorised as Level 2 are not considered to trade as actively as Level 1 assets.

During the period, investments valued at £3,866,000 were transferred from Level 1 to Level 2 following a review of their trading activity.

Notes to the Financial Statements Continued

13. **Related party disclosures.** Up until his retirement from Standard Life Aberdeen plc on 30 September 2020 Mr Gilbert (resigned from the Company on 27 November 2020) was Chairman of Aberdeen Standard Investments. Mr Young (Alternate Director to Mr Gilbert up to his retirement as Alternate Director to Mr Gilbert on 27 November 2020) is a director of Standard Life Aberdeen subsidiary ASI Asia, which has been delegated, under an agreement with ASFML, to provide management services to the Company. Mr Young is not a director of ASFML.

    Mr Yea (retired from Asia Focus 1 December 2020) is chairman of Equiniti Group plc which acts as Registrar and Receiving Agent to the Company. Mr Yea was excluded from participation in all discussions relating to the appointment of Equiniti.

    Transactions with the Manager. The investment management fee is 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 £1,651,000 (31 January 2020 – £1,715,000) of investment management fees were charged, with a balance of £594,000 (31 January 2020 – £564,000) being payable to ASFML at the period end. Investment management fees are charged 100% to revenue. As indicated in the Chairman's Statement on page 7, the Board has agreed a reduction in the level of notice period for the investment management agreement from twelve months to three months which is effective from 1 January 2022.

    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 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 £99,000 (31 January 2020 – £98,000). During the period £49,000 (31 January 2020 – £48,000) of fees were charged, with a balance of £49,000 (31 January 2020 – £24,000) payable to AAML at the period end. The promotional activities costs are based on a current annual amount of £219,000 (31 January 2020 – £219,000), payable quarterly in arrears. During the period £110,000 (31 January 2020 – £110,000) of fees were charged, with a balance of £122,000 (31 January 2020 – £128,000) being payable to AAML at the period end.

14. **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.

15. **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 2020 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 condensed interim financial statements have been prepared using the same accounting policies as the preceding annual accounts.

    The financial information for the six months ended 31 January 2021 has not been audited or reviewed by the Company's auditor, PricewaterhouseCoopers LLP (appointed as independent auditor at the Annual General Meeting held on 1 December 2020). The Company's previous auditor, Ernst & Young LLP 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.

16. This Half-Yearly Report was approved by the Board and authorised for issue on 14 April 2021.

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 2021 and the year ended 31 July 2020 and total return for the periods.

31 January 2021	Dividend rate	NAV	Share price
31 July 2020	N/A	1,106.45p	980.00p
12 November 2020	19.00p	1,188.97p	1,022.12p
31 January 2021	N/A	1,319.88p	1,175.00p
Total return		+21.2%	+22.1%

31 July 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	1,050.00p
31 July 2020	N/A	1,106.45p	980.00p
Total return		–13.6%	–13.2%

Discount to net asset value per Ordinary share. The difference between the share price of 1,175.00p (31 July 2020 – 980.00p) and the net asset value per Ordinary share of 1,319.88p (31 July 2020 – 1,106.45p) expressed as a percentage of the net asset value per Ordinary share.

Net gearing. Net gearing measures the total borrowings of £65,489,000 (31 July 2020 – £46,697,000) less cash and cash equivalents of £19,899,000 (31 July 2020 – £11,281,000) divided by shareholders' funds of £417,885,000 (31 July 2020 – £358,956,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to brokers at the period end of £563,000 (31 July 2020 – £362,000 due from brokers) as well as cash and short term deposits of £20,462,000 (31 July 2020 – £10,919,000).

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 2021 is based on forecast ongoing charges for the year ending 31 July 2021.

	31 January 2021	31 July 2020
Investment management fees (£'000)	3,437	3,121
Administrative expenses (£'000)	1,081	1,040
Less: non-recurring charges (£'000)	(22)	(1)
Ongoing charges (£'000)	4,496	4,160
Average net assets (£'000)	404,795	380,361
Ongoing charges ratio	1.11%	1.09%

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.

How to Invest in Aberdeen Standard Asia Focus PLC

Keeping You Informed

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

Twitter:

https://twitter.com/AberdeenTrusts

LinkedIn:

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

AIFMD

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

Website

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

Investor Warning

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

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

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

Shareholder Enquiries

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

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

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

Direct

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

Aberdeen Standard Investment Plan for Children

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

Aberdeen Standard Investment Trust Share Plan

Aberdeen Standard Investments runs a Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and

How to Invest in Aberdeen Standard Asia Focus PLC Continued

regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Standard Investment Trust ISA

Aberdeen Standard Investments operates an Investment Trust ISA ("ISA") through which an investment may be made of up to £20,000 in the tax year 2021/2022.

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

ISA Transfer

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

Literature Request Service

For literature and information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer including application forms for the Company and the Manager's investment trust products, please contact Aberdeen Standard Investment Trust Administration, PO Box 11020, Chelmsford, Essex, CM99 2DB Telephone: 0808 500 00 40 (free when dialling from a UK landline). Terms and conditions for the Aberdeen Standard Investments managed savings products can also be found under the literature section of **invtrusts.co.uk**.

Online Dealing

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

Discretionary Private Client Stockbrokers

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

Independent Financial Advisers

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

Regulation of Stockbrokers

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

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

Suitable for Retail/NMPI Status

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

The Company currently conducts its affairs, and intends to continue to do so for the foreseeable future, in order that the shares issued by Aberdeen Standard Asia Focus PLC can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investments (NMPIs).

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

Note

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

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

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

The information 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

Directors
Nigel Cayzer, Chairman
Charlotte Black
Viscount Dunluce
Debby Guthrie
Krishna Shanmuganathan
Philip Yea (*retired 1 December 2020*)
Martin Gilbert (*retired 27 November 2020*)

Registered in England as an Investment Company
Registration Number 03106339

Manager
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21 Church Street
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Alternative Investment Fund Manager*
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Authorised and regulated by the Financial Conduct Authority

Bow Bells House
1 Bread Street
London EC4M 9HH
(* appointed as required by EU Directive 2011/61/EU)

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Registrars
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Edinburgh, EH3 9EP

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London NW1 6AA

Website
asia-focus.co.uk

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

Legal Entity Identifier
5493000FBZP1J92OQY70

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