

## Aberdeen Asia Focus PLC (formerly *abrdn Asia Focus plc*)

### ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 JULY 2025

Legal Entity Identifier (LEI): 5493000FBZP1J92OQY70

Aberdeen Asia Focus PLC (the "Company" or "AAS") which invests in a diversified portfolio of quoted smaller companies with strong growth prospects across a range of Asian industries and economies, is pleased to report a strong set of full year results, in the year of our 30<sup>th</sup> anniversary, and entry into the FTSE 250.

#### Highlights:

- Net assets increased to £558.6 million (2024: £502.3 million).
- During the period the Company delivered a NAV total return of 20.3% and a share price total return of 26.6% (MSCI AC Asia ex Japan Small Cap Index returned 7.6%).
- Examples of holdings that contributed to the strong performance in the period included:
  - **Precision Tsugami China**, which makes high-precision machine tools, did well on the back of earnings improvements and a solid order pipeline including early orders in robotics and AI;
  - Within the technology sector, **Choma ATE** and **Taiwan Union Technology** significantly outperformed, with their share prices rising 90.8% and 56.5% during the period, respectively;
  - In India, **Bharti Hexacom** demonstrated strong earnings defensiveness supported by rising industry pricing and good revenue per user growth;
  - In South Korea, **Korea Shipbuilding & Offshore Engineering**, and ship servicing company **Hyundai Marine Solution** performed well on the back of a robust outlook for the sector.
- Four interim dividends have been declared in respect of the financial year ended 31 July 2025 amounting to 6.43p per Ordinary 5p share (2024: 6.42p). This represents a yield of 1.8% based upon the share price at the time of writing of 363p.
- AAS joined the FTSE 250 in June 2025.

#### Krishna Shanmuganathan, the Company's Chair commented:

"Long term outperformance, with a keen eye to optimising shareholder returns, has always been this Company's goal. Since our inception in 1995, our NAV total return of +2995.6% equates to an annualised 12.2% rise compared to the benchmark index's 5.1% annualised return since inception.

"The long-term outperformance reflects our unique approach to portfolio composition and management. Smaller companies, which in the Asian context means companies with market capitalisations below £5 billion, are often under-researched and overlooked by mainstream analysts. Our deeply researched, high conviction portfolio, which is 96% different from the benchmark, means that we can identify hidden gems and future winners with strong structural growth drivers, offering a differentiated proposition for investors.

In a period of significant volatility, Asian economies have remained resilient. The region's structural long-term growth drivers, such as urbanisation, digitalisation, consumer market growth, and the green transition, remain intact. We look to the future with confidence."

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# Performance Highlights

|                                                                      |                                                                                 |
|----------------------------------------------------------------------|---------------------------------------------------------------------------------|
| Net asset value total return (diluted) <sup>AB</sup>                 | Net asset value per share (diluted)                                             |
| <div>+20.3%</div>                                                    | <div>381.7p</div>                                                               |
| 2024 <div>+7.9%</div>                                                | 2024 <div>324.3p</div>                                                          |
| Net asset value total return since inception (diluted) <sup>AB</sup> | Annualised Net asset value total return since inception (diluted) <sup>AB</sup> |
| <div>+2995.6%</div>                                                  | <div>+12.2%</div>                                                               |
| 2024 <div>+2472.6%</div>                                             | 2024 <div>+11.9%</div>                                                          |
| Share price total return <sup>A</sup>                                | Share price                                                                     |
| <div>+26.6%</div>                                                    | <div>343.0p</div>                                                               |
| 2024 <div>+8.8%</div>                                                | 2024 <div>278.0p</div>                                                          |
| Annualised share price total return since inception <sup>A</sup>     | Discount to net asset value <sup>AB</sup>                                       |
| <div>+12.2%</div>                                                    | <div>10.1%</div>                                                                |
| 2024 <div>+11.8%</div>                                               | 2024 <div>14.3%</div>                                                           |
| MSCI AC Asia ex Japan Small Cap Index total return <sup>C</sup>      | Active share                                                                    |
| <div>+7.6%</div>                                                     | <div>96.5%</div>                                                                |
| 2024 <div>+14.1%</div>                                               | 2024 <div>96.7%</div>                                                           |
| Ongoing charges ratio <sup>A</sup>                                   | Dividends per share <sup>D</sup>                                                |
| <div>0.91%</div>                                                     | <div>6.43p</div>                                                                |
| 2024 <div>0.89%</div>                                                | 2024 <div>7.42p</div>                                                           |

<sup>A</sup> Alternative Performance Measure.  
<sup>B</sup> 2024 presented on a diluted basis as the Convertible Unsecured Loan Stock ("CULS") were "in the money".  
<sup>C</sup> Currency adjusted, capital gains basis.  
<sup>D</sup> Dividends include special dividends of nil for 2025 (2024 – 1.00p).

# Chair's Statement

It brings me great pleasure to present another set of strong results in this the Company's 30<sup>th</sup> anniversary year. Our net assets grew to £558.6 million, and we joined the FTSE 250 Index in June 2025. The Company was also recognised by the Association of Investment Companies (AIC) as a double 'ISA Millionaire' Trust, having returned over £2 million to ISA savers who invested their full annual allowances since ISAs were introduced, the highest return of any Asia-focused trust in the AIC's analysis.

In order to reflect recent changes to our Manager's branding, the Board has resolved, with effect from 14 October 2025, to change the Company's name to **"Aberdeen Asia Focus PLC"**.

Your Company will continue to target a diverse and attractive range of smaller companies in Asia. It is important to clarify that though relatively small in Asia, many of these companies would be large enough to be part of the FTSE100 in London. Since these businesses are often under-researched and less widely owned, your Manager is able to uncover hidden gems, the next generation of market leaders capitalising on structural growth trends in economies which are themselves growing at pace. Thus, we provide access to a compelling and diversified portfolio created by expert, bottom-up stock selection that looks very different to any reference benchmark.

## Investment Performance

Your Company's share price delivered a +26.6% return while the net asset value ('NAV') grew by 20.3% in sterling terms, both on a total return basis including the reinvestment of dividends. This compared very well with the MSCI AC Asia ex Japan Small Cap Index's total return of 7.6% and the larger cap MSCI AC Asia ex Japan Index's 15.3% in sterling terms.

This outperformance reflects your Manager's unwavering commitment to investing in quality and resilience with long-term growth prospects amongst Asia's next generation of market leaders, and their expertise, based on an on-the-ground presence with 39 analysts and investment managers operating around the region, providing bottom-up research and local intelligence.

Over the longer term, your Company's NAV total return per share has returned an outstanding 2995.6% in absolute terms since inception in 1995, equating to 12.2% per annum, reflecting your Manager's excellent investment track record of delivering sustained returns to Shareholders. This compares very favourably against returns of 593.6% for the large-cap benchmark (MSCI AC Asia Pacific ex Japan Index), and 343.5% for the blended small-cap benchmark index.

## Dividends and Reserves

The Board continues to recognise the importance of your Company's dividend income for many shareholders. As such, the income generation of the portfolio has been robust and supportive of the progressive dividend policy approved by shareholders in 2022. Your Company has maintained or raised the Ordinary dividend every year since 1998 and is expected to be named as one of the AIC's Next Generation of 'Dividend Heroes' in the near future.

In total, four interim dividends have been declared in respect of the financial year ended 31 July 2025 amounting to 6.43p per Ordinary 5p share (2024: 6.42p). This represents a yield of 1.8% based upon the share price at the time of writing of 363p. It is pleasing to note that there remains over 13.6p per share in revenue reserves at the year end which is significantly in excess of a year's worth of cover for the annual dividend.

## Gearing – CULS conversion

On 31 May 2025 the £36.5m of outstanding Convertible Unsecured Loan Stock 2025 ("CULS") matured with approximately £5.5m being redeemed by CULS holders for cash and the balance of £31m electing to convert into new Ordinary shares resulting in the issue of 10,562,933 new Ordinary shares.

Having reviewed the gearing options available, the Company entered into a new, secured, two-year multi-currency revolving credit facility (the "Facility") of £35 million with The Bank of Nova Scotia, London Branch (the "Lender") which will expire on 28 May 2027.

Under the terms of the Facility, the Company also has the option to increase the level of the commitment to £50 million, subject to the Lender's credit approval. £35 million has been drawn down under the new Facility and was used to finance the part redemption of the CULS with the balance having been invested by the Investment Manager in accordance with the Company's investment policy.

As at 31 July 2025, the net gearing stood at 10.2% (2024: 10.4%).

### **Protecting Shareholders' Interests**

As you will recall, your Board took proactive steps as part of the strategic review in 2021 to further promote shareholders' interests, in particular the introduction of a five-year conditional tender opportunity, the linking of investment management fees to market cap rather than NAV and the move to progressive and more frequent dividends.

We are pleased that performance remains well ahead of the benchmark since 1 August 2021, the start date for the five-year conditional tender monitoring period, with the portfolio's NAV total return per share being 36.9% versus the benchmark return of 25.9% as at 31 July 2025.

As a measure of our continued commitment to Shareholders' interests, and underlining your Board's belief that your Company's share price discount to NAV does not accurately reflect the strength of the portfolio and future prospects, we have significantly stepped-up share buybacks over the past 12 months, not only to provide additional liquidity but also to limit share price volatility for Shareholders.

Over the year the Ordinary shares have traded at an average discount of 15.8% and we have bought back 17.9m Ordinary shares (11.6% of issued share capital) in the market at a discount to the prevailing NAV per share (2024: 1.8% of issued share capital), ending the period on a discount of 10.1% (2024: 14.3%). These buybacks have resulted in an uplift to NAV of 1.6% or 5.5p per share.

### **Value for Money**

We strive to keep the cost of investing low so that our shareholders can retain as much of the return on their investment as possible. Ongoing charges for the year were 0.91% (2024: 0.89%), primarily made up of the management fee. Your Company is one of the very few to have linked the management fee to the market capitalisation rather than the NAV of the Company, further aligning the Investment Manager with you, the Shareholders.

Your Board continues to keep all costs under review but believes that, given the breadth and depth of on-the-ground research by your Manager, the very selective stock picking (your Company's portfolio has an active share of 96.5% at year end) and the long-term outperformance, the current fees constitute good value for money.

### **Your Investment Manager**

In a challenging environment for active managers, your Manager continues to invest in talent and research, adding depth to its smaller company research capabilities in Asia, with two new research analysts having joined the team in the year, one with a primary focus on small and mid-cap companies in India and the other a senior technology analyst. Given these new additions in areas of growing importance, your Board and I remain encouraged by your Manager's firm commitment to Asia, where it is well known for its expertise.

Your Manager is also focused on enhancing its investment process in three key ways. First, the sharpening of research with updated guidelines for stock notes and sector reviews and a streamlined peer review process to improve consistency and efficiency. Fundamental analysis workshops and the use of AI are also helping boost productivity.

Second, an evolution of the team's structure for improved clarity and focus, separating portfolio management from research. Your Manager now has pure research analysts covering all core sectors, having made some experienced hires, which will help consolidate Aberdeen's comprehensive research platform. This adjustment increases individual accountability and means research insights can flow through faster while portfolio managers, such as your Company's, can concentrate on performance.

Finally, the improving of portfolio construction, where the greater use of technology and closer collaboration with risk teams are supporting more effective decision-making.

Notably, senior and experienced hires and the promotion of Pruksa lamthongthong, who will lead the Aberdeen Asian equity franchise as Flavia Cheong retires, signal a strong bench of talent within the Manager's ranks. Whilst we reiterate our thanks to Flavia Cheong after over 30 years of Asian equity investing with Aberdeen, Gabriel Sacks continues as lead manager on the Company's investment portfolio, ably supported by Xin-Yao Ng. Both are supported by the wider Aberdeen Asia Pacific equity team of analysts and investment managers based in the region.

## **Promoting your Company**

The Board maintains its view that many investors are still underestimating the benefits of allocating part of their capital to Asian smaller companies, which have proven to be less correlated to mainstream equities and have offered superior returns compared with Asian large caps. As a result, we are actively working to promote the Company further, to bring the success of your Company to new shareholders, using a suite of modern and traditional public relations tools from social media to the financial press.

## **Annual General Meeting**

The Company's Annual General Meeting is scheduled for 12:30 p.m. on 8 December 2025. In line with best practice the voting on all business at the AGM will be conducted by way of a poll which will be administered on the day by the Company's registrar.

The AGM will be preceded by a short presentation from the management team and following the formal business there will be a light shareholder buffet lunch alongside the opportunity to meet the Directors and Manager. In addition to the usual ordinary business being proposed at the AGM, as special business the Board is seeking to renew the authority to issue new shares and sell treasury shares for cash at a premium without pre-emption rules applying and to renew the authority to buy back shares and either hold them in treasury for future resale (at a premium to the prevailing NAV per share) or cancel them. I would encourage all Shareholders to support the Company and lodge proxy voting forms in advance of the meeting, regardless of whether they intend to attend in person.

In light of the significant take up by Shareholders of the online presentation held in 2024, in advance of the AGM, the Board has decided to hold another interactive Online Shareholder Presentation which will be held at 11:00 a.m. on 1 December 2025. During the presentation, Shareholders will receive updates from myself and the Investment Manager and there will be the opportunity for an interactive question and answer session where we will endeavour to answer as many questions as time allows. Following the online presentation, Shareholders will still have time to submit their proxy votes prior to the AGM and as a Board we encourage all Shareholders to lodge their votes in advance in this manner. Full registration details can be found at: [asia-focus.co.uk](https://asia-focus.co.uk).

## **Outlook**

In a period of significant volatility, economies across much of Asia have been resilient. Corporate earnings are holding up. The region's structural long-term growth drivers, such as urbanisation, digitalisation, consumer market growth, and the green transition, remain intact.

Meanwhile, potential US interest rate cuts and a weaker US dollar would further ease financial conditions in Asia, support local currencies and improve the relative appeal of Asian equities, including Asian smaller companies which are more sensitive to liquidity cycles and more agile in deploying capital for growth.

Aside from greater agility versus larger caps, Asian smaller companies are less correlated to global indexes and more tied to domestic consumption and innovation. The smaller company universe is inherently less efficient and poorly researched, making it ideal for active stock picking. Here, your Investment Manager's on-the-ground presence and long track record in Asia provides a distinct competitive edge.

Your Investment Manager has invested in companies that tend to be local or global leaders with unique products and/or critical services, ranging from precision manufacturing to healthcare diagnostics, meaning that these businesses are extremely resilient even in volatile markets.

In this age of noise and uncertainty, your Manager's ability to uncover quality businesses should, as in the past, serve your Company well. Your Board and I remain confident in your Manager's ability to continue delivering disciplined, bottom-up outperformance and, with that, sustainable returns and growth over the long term.

**Krishna Shanmuganathan**

Chair

22 October 2025

# Investment Manager's Review

## Performance Review

Despite an uncertain backdrop, the MSCI AC Asia Ex Japan Small Cap Index (the "benchmark") gained 7.6% in sterling terms. This compares to the Company's net asset value ("NAV") and share price which both significantly outperformed, delivering 20.3% and 26.6%, respectively, on a total return basis. This strong performance vindicates our long-standing approach of uncovering and investing in high-quality Asian smaller companies with strong growth prospects, capable management, solid balance sheets and steady cash flows.

Notably, the portfolio's outperformance against its benchmark was driven mainly by positive stock selection. Among the key macro performance drivers, we would highlight the portfolio's exposure to Hong Kong and China, which were among the best performing markets over the year.

The year under review was extremely challenging for investors, not just in Asia but also globally. In the aftermath of Donald Trump's US presidential win in November 2024, investor sentiment was impacted by global growth concerns, rising geopolitical tensions, tariff risks and uncertainty about US monetary policy direction. In addition, some Asian markets were further weighed down by domestic turmoil, such as South Korea, which briefly came under martial law.

In the second half of this reporting season, markets became more volatile. The emergence of China's AI start-up DeepSeek led to mainland markets rallying on optimism around AI applications, but it also had investors scrambling to adjust expectations around AI, datacentre capex, and technology hardware demand. Meanwhile, President Trump announced reciprocal tariffs that were much higher than expected, sparking a sharp sell-off across many already nervous markets. Subsequently, however, fresh trade accords between the US and several countries brought some policy clarity and investor relief, as President Trump's actions proved less severe than his rhetoric. While tensions in the Middle East persisted, the lower probability of a broader regional conflict with Iran, along with US inflation and dovish Federal Reserve comments, also helped lift sentiment.

Hong Kong rallied on significant inflows from mainland Chinese investors. This spike in buying interest was amplified for smaller companies, where trading is typically thin. Easing local funding conditions and lower interbank rates earlier in the year also supported risk appetite. Aside from our country allocation, our holdings also boosted performance. Two stocks stood out. **Precision Tsugami China**, which makes high-precision machine tools, did well on the back of earnings improvements and a solid order pipeline. It is also seeing early orders in robotics and AI, two areas of structural growth, which has piqued investors' interest in the company. **Dah Sing Financial** delivered solid results, supported by a resilient net interest margin and a stronger contribution from its insurance partnership. We decided to exit the position on the back of price strength witnessed in July 2025, as our investment thesis played out, and also trimmed exposure to Precision Tsugami given its strong run as its share price more than doubled with a gain of 131.7%.

Among our mainland holdings, gear and reducer manufacturer **Zhejiang Shuanghuan** Driveline rallied on the back of healthy earnings and anticipation that it will be a key beneficiary of demand from humanoid robotics. Software developer **Kingdee**, a newly initiated stock, climbed as the company continued to deliver better results than its peers and is expected to gain from the rising adoption of Agentic AI in its enterprise resource planning tools.

Elsewhere, our Taiwan exposure added to performance. Taiwan is our second biggest country exposure after India, albeit our allocation is still lower than the benchmark. This worked in our favour during a year when Taiwan was a relative laggard. Our core technology holdings, such as **Choma ATE** and **Taiwan Union** Technology significantly outperformed, with their share prices rising 90.8% and 56.5% during the period, respectively. Chroma ATE benefited from rising complexity in chip testing, driving growth in its expanding semiconductor testing business. Taiwan Union saw stronger demand for its higher-end copper-clad laminates, a key component in printed circuit boards, as customers continued upgrading to higher-end products. In contrast, textile group **Makalot** lagged as orders from US clients slowed amid the tariff uncertainty.

Turning to India, similarly, our underweight to the market proved positive for performance. The market was weighed down by a confluence of both domestic and external headwinds, including near-term growth concerns and weaker corporate earnings. Adding to the uncertainty were foreign institutional outflows, uncertainties around tariffs and volatile oil prices. However, the sell-off is helping to ease valuation concerns, taking some of the excessive froth witnessed out of the market. Stock selection also contributed positively. **Bharti Hexacom** demonstrated earnings defensiveness typical of a telecommunication company, supported by rising industry pricing, strong average revenue per user growth, and

subscriber additions. **Vijaya Diagnostic Centre** performed well, reflecting its management's execution ability and an integrated business model that has kept it ahead of its rivals. On the other hand, **Newgen Software Technology** posted lacklustre first-quarter results indicating a delay in the conversion of its healthy order pipeline into revenues.

Elsewhere, our holdings in the Korean shipping sector were also strong. **Korea Shipbuilding & Offshore Engineering** and ship servicing company Hyundai Marine Solution performed well on the back of a robust outlook for the sector, while US restrictions placed on Chinese shipbuilders, their main rivals, have made them structurally less competitive.

### Portfolio Activity

We aim to manage a diversified portfolio of around 50 well-run companies with industry-leading positions and strong management teams. With that in mind, we continue to fine-tune the portfolio towards companies with attractive growth prospects, steady cash flow generation and clearer earnings visibility given the prevailing global backdrop. Our key trades through the year have reflected our commitment to staying disciplined, sizing positions with care and rotating into the best ideas that we can find. While we will not be right all of the time, we hope to get it right more often than not, and when we are wrong, be nimble, move quickly and act to rectify our mistakes.

Through the review period, our trading activity underscored the breadth and depth of the investment universe in Asian smaller companies, across countries and sectors, with some initiations highlighted below.

In China, we are leaning towards newer large-scale consumption trends, such as music streaming, travel and leisure, pet food, and internet platforms, and moving away from traditional staples. A good example is our investment in **Netease Cloud Music**, the second-ranked music streaming app in China, which is popular with younger users. The platform's high user engagement comes from its personalised playlists and music recommendations, which significantly enhance the user experience. While most of its users are still on the free tier, there is substantial potential for revenue growth by converting them to paying subscribers – a strategy that the company prioritises over raising prices. We expect the company to deliver double-digit revenue growth and continued margin improvement. Towards the end of the Company's financial year, we also introduced **Hesai** to the portfolio, an exciting business that we expect to be one of the global leaders in LiDAR sensors, used primarily for autonomous driving and other industrial applications.

In South Korea, we introduced a new holding in **Classys**, which makes high-end medical devices used in clinics and beauty centres for non-invasive treatments like skin tightening and lifting and body contouring. Such machines use technologies that are ultrasound or laser-based and do not require surgery. This industry of medical aesthetics is still in the early stages of growth, and Classys is well positioned to capitalise on the opportunity leveraging off Korea's strong R&D capabilities in the medical and cosmetics industries.

We also invested in **Capitaland India Trust**, a Singapore-listed property trust that owns income-generating assets in India, including IT parks, logistics spaces, and industrial facilities, with consistent dividend growth. The trust is well-positioned to benefit from India's long-term development with a 10-year development pipeline providing growth visibility, especially in tech business parks and warehousing. Its data centre assets are expected to be a major growth driver, while occupancy is above market averages and rental income continues to grow steadily.

Finally in Taiwan, we initiated a position in **Chung-Hsin Electric & Machinery**, a domestic-focused business that is well-positioned to benefit from rising electricity demand in the country, helping to diversify our more tech-heavy and export-oriented exposure in Taiwan.

Across the portfolio, we are also sizing positions to manage risk and return thoughtfully. Aside from Dah Sing Financial, we also sold out of India's Prestige Estates, another holding that had performed very well for the Company over several years, demonstrating our price discipline. We also exited the position in Taiwan's **Sinbon Electronics** after a bounce in the share price because we disagreed with the market's excitement around its robotics pipeline; here we preferred to redeploy the capital into companies with better earnings visibility.

Staying humble and admitting our mistakes early is also an important part of trying to deliver better returns to the Company's shareholders. Position sizing also means we do not need a high "hit rate" to outperform, provided our winners are allowed to compound and our losers are contained.

Here, kitchen appliance maker **Hangzhou Robam** is a good example of how we acted quickly when an investment thesis did not materialise as planned. In March, we invested in Robam, due to its strong brand equity in premium kitchen appliances, offering exposure to improving consumption trends in China at an appealing valuation and with a high

dividend yield. The company had maintained healthy margins despite a decline in the construction channel in recent years, helped by non-construction and home upgrading demand from both online and offline channels. Also, government subsidies and signs of stabilisation in the property market, particularly in higher-tier cities where Robam had greater exposure, suggested upside potential. After our initiation, however, Robam's revenues and profits weakened as the property market remained soft, given that its sales are closely tied to new home completions. At the same time, Chinese consumers began trading down, which led Robam to push lower-margin mass-market products and its secondary brand "Mingqi", resulting in a dilution in gross margins and lower than expected earnings growth. The positive impact of national subsidies and offline retail recovery also started to fade, while competition in the kitchen appliance sector intensified, forcing Robam to cut prices. As a result, we decided to cut our losses and exit our small position in July.

Our approach as investment manager of the trust is to maintain a balanced portfolio composed of several of Asia's leading business franchises leaning into secular growth, managing risk with discipline, and focusing on compounding returns for our shareholders over the long term.

## **Outlook**

Since your Company was launched 30 years ago, we can point to a significant long term track record of outperformance with an annualised return since inception of 12.2% against the MSCI AC Asia ex Japan Small Cap index's 5.1% return. We believe this is because we have consistently uncovered and invested in high-quality companies that can perform well even in tough times. In aggregate, the holdings in the portfolio generate over 80% of their revenues from within Asia, and many are leaders in their fields with critical products or services. These businesses tend to be resilient, with strong balance sheets, and well-positioned for future growth with experienced management teams and prudent capital allocation.

Importantly, many of these opportunities lie within the Asian smaller companies space, which is often overlooked, under-researched, and misunderstood. Small-cap equities in Asia have outperformed the broader market index over the past three, five, and 10 years and, contrary to popular belief, their volatility has not consistently exceeded that of the broader market. This challenges the notion that small caps are inherently riskier.

Part of this small-cap resilience comes from better diversification across countries and sectors, and less concentration in a few mega caps. Many of these smaller companies are also more closely aligned with powerful secular growth trends in Asia, including AI, robotics, semiconductors, and renewable energy. Furthermore, low and weaker research coverage of small caps, as compared to large caps, means that active managers can uncover undervalued "hidden gems" and generate alpha through in-depth, on the ground fundamental research. The lower correlation between small-cap stocks across Asia and with global equity markets can also help reduce overall portfolio risk.

More broadly, as the dominance of US markets potentially begins to fade, investors may look to Asia for growth, value, and diversification. The companies that we seek to invest in are fundamentally sound, supported by low leverage, strong competitive positioning, and a broadly favourable macroeconomic environment with limited inflationary pressures. Asian smaller companies – often overlooked and under researched – can offer compelling opportunities for those willing to take a closer look. We remain excited about the growth prospects for the portfolio and believe that it will continue to thrive and deliver sustainable returns over the long term.

**Gabriel Sacks and Xin-Yao Ng**

abrdn Asia Limited

22 October 2025

# Overview of Strategy

## Business Model

The business of the Company is that of an investment company which seeks to qualify as an investment trust for UK capital gains tax purposes.

## Investment Objective

The Company aims to maximise total return to shareholders over the long term from a portfolio made up predominantly of quoted smaller companies in the economies of Asia excluding Japan.

## Investment Policy

The Company invests in a diversified portfolio of securities (including equity shares, preference shares, convertible securities, warrants and other equity-related securities) predominantly issued by quoted smaller companies spread across a range of industries and economies in the Investment Region. The Investment Region includes Bangladesh, Cambodia, China, Hong Kong, India, Indonesia, Korea, Laos, Malaysia, Myanmar, Pakistan, The Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam, together with such other economies in Asia as approved by the Board.

The Company may invest up to 10% of its net assets in collective investment schemes, and up to 10% of its net assets in unquoted companies, calculated at the time of investment.

The Company may also invest in companies traded on stock markets outside the Investment Region provided over 75% of each company's consolidated revenue, operating income or pre-tax profit is earned from trading in the Investment Region or the company holds more than 75% of their consolidated net assets in the Investment Region.

When the Board considers it in shareholders' interests, the Company reserves the right to participate in rights issues by an investee company.

## Risk Diversification

The Company will invest no more than 15% of its gross assets in any single holding including listed investment companies at the time of investment.

## Gearing

The Board is responsible for determining the gearing strategy for the Company. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent this is considered appropriate to do so. Gearing is subject to a maximum gearing level of 25% of NAV at the time of drawdown.

## Investment Manager and Alternate Investment Fund Manager

The Company's Alternative Investment Fund Manager, appointed as required by EU Directive 2011/61/EU, is abrdn Fund Managers Limited ("aFML") which is authorised and regulated by the Financial Conduct Authority. Day to day management of the portfolio is delegated to abrdn Asia Limited ("abrdn Asia", the "Manager" or the "Investment Manager"). aFML and abrdn Asia are wholly owned subsidiaries of Aberdeen Group Plc.

## Delivering the Investment Policy

The Directors are responsible for determining the investment policy and the investment objective of the Company. Day to day management of the Company's assets has been delegated, via the AIFM, to the Investment Manager, abrdn Asia. abrdn Asia invests in a diversified range of companies throughout the Investment Region in accordance with the investment policy. abrdn Asia follows a bottom-up investment process based on a disciplined evaluation of companies through direct visits by its fund managers. Stock selection is the major source of added value. No stock is bought without the fund managers having first met management. abrdn Asia estimates a company's worth in two stages, quality then price. Quality is defined by reference to management, business focus, the balance sheet and corporate governance. Price is calculated by reference to key financial ratios, the market, the peer group and business prospects. Top-down investment factors are secondary in the abrdn Asia's portfolio construction, with diversification rather than formal controls guiding stock and sector weights. Whilst the management of the Company's investments is not undertaken with any specific instructions to exclude certain asset types or classes, the Investment Manager considers ESG as part of the

research for each asset class during the investment review process. For the manager, ESG investment is about active engagement, in the belief that the performance of assets held around the world can be improved over the longer term.

A detailed description of the investment process and risk controls employed by the Manager is disclosed on pages 100 and 101 of the published Annual Report and financial statements for the year ended 31 July 2025. A comprehensive analysis of the Company's portfolio is disclosed on pages 28 to 37 of the published Annual Report and financial statements for the year ended 31 July 2025 including a description of the ten largest investments, the portfolio investments by value, sector/geographical analysis and currency/market performance. At the year end the Company's portfolio consisted of 60 holdings.

**Benchmark Index**

From 1 August 2021 the Manager has utilised the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) as well as peer group comparisons for Board reporting. For periods prior to 1 August 2021, a composite index is used comprising the MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted) up to 31 July 2021 and the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) thereafter. It is likely that performance will diverge, possibly quite dramatically in either direction, from the comparative index. The Manager seeks to minimise risk by using in-depth research and does not see divergence from an index as risk.

**Promoting the Company's Success**

In accordance with corporate governance best practice, the Board is now required to describe to the Company's shareholders how the Directors have discharged their duties and responsibilities over the course of the financial year following the guidelines set out under section 172 (1) of the Companies Act 2006 (the "s172 Statement"). This Statement, from 'Promoting the Success of the Company' to "Long Term Investment" on page 18 of the published Annual Report and financial statements for the year ended 31 July 2025, provides an explanation of how the Directors have promoted the success of the Company for the benefit of its members as a whole, taking into account the likely long term consequences of decisions, the need to foster relationships with all stakeholders and the impact of the Company's operations on the environment.

The purpose of the Company is to act as a vehicle to provide, over time, financial returns to its shareholders. The Company's Investment Objective is disclosed on page 15 of the published Annual Report and financial statements for the year ended 31 July 2025. The activities of the Company are overseen by the Board of Directors of the Company.

The Board's philosophy is that the Company should operate in a transparent culture where all parties are treated with respect and provided with the opportunity to offer practical challenge and participate in positive debate which is focused on the aim of achieving the expectations of shareholders and other stakeholders alike. The Board reviews the culture and manner in which the Manager operates at its regular meetings and receives regular reporting and feedback from the other key service providers.

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

**Stakeholders**

The Company's main stakeholders have been identified as its shareholders, the Manager (and Investment Manager), service providers, investee companies and debt providers. More broadly, the environment and community at large are also stakeholders in the Company. The Board is responsible for managing the competing interests of these stakeholders. Ensuring that the Manager delivers outperformance for Ordinary shareholders over the longer term without adversely affecting the risk profile of the Company which is known and understood by the loan note holders. This is achieved by ensuring that the Manager stays within the agreed investment policy.

**Shareholders**

Shareholders are key stakeholders in the Company – they look to the Manager to achieve the investment objective over time. The following table describes some of the ways we engage with our shareholders:

|                                        |                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>AGM</b>                             | The AGM normally provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. The next AGM will take place on 8 December 2025 in London and voting will be conducted by way of poll. We encourage shareholders to lodge their vote by proxy on all the resolutions put forward. |
| <b>Online Shareholder Presentation</b> | In November 2024 the Board held an online shareholder presentation which was attended by over 75 shareholders and prospective investors. Based on the success of this event a further online presentation will be held on 1 December 2025 at 11:00 a.m.                                                                                    |
| <b>Annual Report</b>                   | We publish a full annual report each year that contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format.                                                                                                                                       |
| <b>Company Announcements</b>           | We issue announcements for all substantive news relating to the Company. You can find these announcements on the website.                                                                                                                                                                                                                  |
| <b>Results Announcements</b>           | We release a full set of financial results at the half year and full year stage. Updated net asset value figures are announced on a daily basis.                                                                                                                                                                                           |
| <b>Monthly Factsheets</b>              | The Manager publishes monthly factsheets on the Company's website including commentary on portfolio and market performance.                                                                                                                                                                                                                |
| <b>Website</b>                         | Our website contains a range of information on the Company and includes a full monthly portfolio listing of our investments as well as updates from the investment management team. Details of financial results, the investment process and Investment can be found at <a href="https://asia-focus.co.uk">asia-focus.co.uk</a> .          |
| <b>Investor Relations</b>              | The Company subscribes to the Manager's Investor Relations programme (further details are on page 21 of the published Annual Report and financial statements for the year ended 31 July 2025).                                                                                                                                             |
| <b>Social Media</b>                    | Shareholders can access up to date news on the Company and management team by following the dedicated Aberdeen Asia Focus PLC page on LinkedIn.                                                                                                                                                                                            |

## The Manager

The key service provider for the Company is the Alternative Investment Fund Manager and the performance of the Manager is reviewed in detail at each Board meeting. The Manager's investment process is outlined on pages 100 and 101 and further information about the Manager is given on page 99 of the published Annual Report and financial statements for the year ended 31 July 2025. Shareholders are key stakeholders in the Company – they are looking to the Manager to achieve the investment objective over time and to maximise total return to shareholders over the long term from a portfolio made up predominantly of quoted smaller companies in the economies of Asia excluding Japan. The Board is available to meet at least annually with shareholders at the Annual General Meeting and this includes informal meetings with them over lunch following the formal business of the AGM. This is seen as a very useful opportunity to understand the needs and views of the shareholders. In between AGMs, the Directors and Manager also conduct programmes of investor meetings with larger institutional, private wealth and other shareholders to ensure that the Company is meeting their needs. Such regular meetings may take the form of joint presentations with the Investment Manager or meetings directly with a Director where any matters of concern may be raised directly.

## Other Service Providers

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

## Principal Decisions

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

**Portfolio** The Investment Manager’s Review details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to monitor the investment portfolio throughout the year under the supervision of the Board. A list of the key portfolio changes can be found in the Investment Manager’s Report.

**Gearing** At the time of the maturity of the CULS in May 2025 the Board reviewed the Company’s level of gearing together with potential gearing options. In conjunction with the Manager it was agreed to replace the CULS with a new £35m two-year bank facility with Nova Scotia Bank.

**Marketing and Promotion** During the year the Board sought to further improve the marketing and promotional activities conducted on behalf of the Company and following a competitive tender Burson Buchanan were appointed to provide the Manager with further PR support.

**Long Term Investment**

The Investment Manager’s investment process seeks to outperform over the longer term. The Board has in place the necessary procedures and processes to continue to promote the long-term success of the Company. The Board will continue to monitor, evaluate and seek to improve these processes as the Company continues to grow over time, to ensure that the investment proposition is delivered to shareholders and other stakeholders in line with their expectations.

**Key Performance Indicators (KPIs)**

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

| KPI                                     | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-----------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| NAV Return                              | The Board considers the Company’s NAV total return figures to be the best indicator of performance over time and is therefore the main indicator of performance used by the Board. The figures for this year and for the past 1, 3, 5, 10 years and since inception are set out on page 23 of the published Annual Report and financial statements for the year ended 31 July 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Performance against comparative indices | The Board also measures performance against the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) as well as peer group comparisons for Board reporting. For periods prior to 1 August 2021, a composite index is used comprising the MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted) up to 31 July 2021 and the MSCI AC Asia ex Japan Small Cap Index (currency adjusted) thereafter. Graphs showing performance are shown on pages 24 and 25 of the published Annual Report and financial statements for the year ended 31 July 2025. At its regular Board meetings the Board also monitors share price performance relative to competitor investment trusts over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies. |
| Share price (on a total return basis)   | The Board also monitors the price at which the Company’s shares trade relative to the MSCI Asia ex Japan Small Cap Index (sterling adjusted) on a total return basis over time. A graph showing the total NAV return and the share price performance against the comparative index is shown on page 25 of the published Annual Report and financial statements for the year ended 31 July 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Discount/Premium to NAV                 | The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The objective is to avoid large fluctuations in the discount relative to similar investment companies investing in the region by the use of share buy backs subject to market conditions. A graph showing the share price premium/(discount) relative to the NAV is also shown on page 25 of the published Annual Report and financial statements for the year ended 31 July 2025.                                                                                                                                                                                                                                                                                                                        |
| Dividend                                | In 2022 the Board introduced a target dividend of 6.4p per share and the aim is to maintain a progressive Ordinary dividend so that shareholders can rely on a consistent stream of income. Dividends paid over the past 10 years are set out on page 23 of the published Annual Report and financial statements for the year ended 31 July 2025.                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

**Principal Risks and Uncertainties**

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. Risks are identified and documented through a risk management framework

and further details on the risk matrix are provided in the Directors' Report. The Board, through the Audit Committee, has undertaken a robust review of the principal risks and uncertainties facing the Company including those that would threaten its business model, future performance, solvency or liquidity. Those principal risks are disclosed in the table below together with a description of the mitigating actions taken by the Board. The principal risks associated with an investment in the Company's Shares are published monthly on the Company's factsheet or they can be found in the pre-investment disclosure document published by the Manager, both of which are available on the Company's website.

The Board also has a process to review longer term risks and consider emerging risks and if any of these are deemed to be significant these risks are categorised, rated and added to the risk matrix.

Macroeconomic risks arising from geopolitical risks such as the ongoing conflicts in Ukraine and the Middle East together with tensions in East Asia as well as the imposition of trade tariffs by the US continue to present significant uncertainty to world markets. In addition to the risks listed below, the Board is also very conscious of the risks emanating from increased environmental, social and governance challenges. As climate change pressures mount, the Board 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 does not consider that the principal risks and uncertainties identified have changed significantly during the year or since the date of this Annual Report and are not expected to change materially for the current financial year.

| Description                                                                   | Mitigating Action                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Shareholder and Stakeholder Risk</b><br>Overall Risk Unchanged during Year | <p>The Company's strategy and objectives are regularly reviewed to ensure that they remain appropriate and effective. The Board monitors the discount level of the Company's shares and has in place a buyback mechanism whereby the Manager is authorised to buy back shares within certain limits. The macroeconomic and geopolitical challenges continue to cause volatility in equity markets and the Company's share price discount to NAV. The Company buys back shares into treasury seeking to limit volatility. The Broker and Manager communicate with major shareholders regularly to gauge their views on the Company, including discount volatility. There are additional direct meetings undertaken by the Chair and other Directors. The Board monitors shareholder and market reaction to Company news flow and notes that strong performance over the year combined with pro-active Board activity has helped to mitigate the impact of this risk.</p> <p>Whilst the Board rates this risk overall as stable, the risks associated with certain constituent parts of this risk have changed over the last 12 months and remain the subject of continued scrutiny.</p>                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Investment Risk</b><br>Overall Risk Unchanged during Year                  | <p>The Board sets, and monitors, its investment restrictions and guidelines, and receives regular board reports which include performance reporting on the implementation of the investment policy, the investment process and application of the guidelines and concentration/liquidity analysis of the portfolio. Aberdeen Group provides a team of experienced portfolio managers with detailed knowledge of the Asian markets. The Investment Manager is in attendance at all Board meetings. The Board also monitors the Company's share price relative to the NAV.</p> <p>The Board recognises that investing in unlisted securities carries a higher risk/reward profile. Accordingly, it seeks to mitigate this risk by limiting investment into such securities to 10% of the Company's net assets (calculated at the time of investment). For the year ended 31 July 2025 no unlisted investments were made.</p> <p>The Manager's risk department reviews investment risk and a review of credit worthiness of counterparties is undertaken by its Counterparty Credit Risk team. The Company does not hedge foreign currency exposure but it may, from time to time, partially mitigate it by borrowing in foreign currencies. Gearing is currently provided at attractive rates, the Board and Manager monitor gearing levels regularly and covenant reports are provided to lenders. The Investment Manager includes responsible investing in its assessment of investee companies together with the impact of climate as part of the</p> |

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investment process. Responsible investment is about active engagement, in the belief that the performance of assets held around the world can be improved over the longer term.

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#### **Operational Risk**

**Overall Risk Unchanged during Year**

The Board receives reports from the Manager on internal controls and risk management at each Board meeting. It receives assurances from all its significant service providers, as well as back-to-back assurances where activities are themselves sub-delegated to other third-party providers with which the Company has no direct contractual relationship eg accounting. The assurance reports include an independent assessment of the effectiveness of risks and internal controls at the service providers including their planning for business continuity and disaster recovery scenarios, together with their policies and procedures designed to address the risks posed to the Company's operations by cyber-crime. Further details of the internal controls which are in place are set out in the Directors' Report on pages 47 and 48 of the published Annual Report and financial statements for the year ended 31 July 2025. The Manager has documented succession planning in place for key personnel. There is a team approach to portfolio management of the Company and this has been clearly communicated to shareholders

#### **Governance & Regulatory Risk**

**Overall Risk Unchanged during Year**

The Board receives assurance from the Manager and Company Secretary and third-party service providers on all aspects of regulatory compliance as well as drawing upon the significant experience of individual Directors. Upon appointment Directors receive a detailed induction covering relevant regulatory matters such as Corporate Governance, the Companies Act and Listing Rules and further training is available if required.

#### **Major Events & Geopolitical Risk**

**Overall Risk Rising during Year**

External risks over which the Company has no control are always a risk. The Manager monitors the Company's portfolio and is in close communication with the underlying investee companies in order to navigate and guide the Company through macroeconomic and geopolitical risks. The Manager continues to assess and review legacy pandemic risks as well as investment risks arising from the impact of events such as the Invasion of Ukraine and increased military tension in East Asia on companies in the portfolio and takes the necessary investment decisions. The Manager monitors the potential impact of potential regional conflict and the risk of sanctions being imposed which limit the free flow of trade. In addition, the Board has discussed with the Manager options that would be available to reduce the impact of conflict on the portfolio.

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#### **Promoting the Company**

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by the Manager on behalf of a number of investment trusts under its management. The Company's financial contribution to the programme is matched by the Manager. The Manager reports quarterly to the Board giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make-up of that register.

The purpose of the programme is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of your Company is key and therefore the Company also supports the Manager's investor relations programme which involves regional roadshows, promotional and public relations campaigns.

#### **Board Diversity**

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow the Board to fulfil its obligations. The Board also recognises the benefits and is supportive of the principle of diversity in its recruitment of new Board members. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its

Directors. Although the Board does not set diversity targets, it is mindful of best practice in this area. At 31 July 2025, there were three male Directors and three female Directors on the Board and the Company is compliant with the diversity and inclusion targets set out in Chapter 6 of the FCA's Listing Rules. Further details are disclosed in the Directors' Report on page 45 of the published Annual Report and financial statements for the year ended 31 July 2025.

### **The UK Stewardship Code and Proxy Voting**

The Company supports the UK Stewardship Code 2020 and seeks to play its role in supporting good stewardship of the companies in which it invests. Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager.

The Manager is a signatory of the UK Stewardship Code 2020 which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long-term investment return to shareholders. The Manager's Annual Stewardship Report for 2024 may be found at [aberdeenplc.com](https://www.aberdeeenplc.com). While delivery of stewardship activities has been delegated to the Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

The Board has also given discretionary powers to the Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports to the Board on a six-monthly basis on stewardship (including voting) issues and additional information may be found on pages 102 to 105 of the published Annual Report and financial statements for the year ended 31 July 2025.

### **Global Greenhouse Gas Emissions and Streamlined Energy and Carbon Reporting ("SECR")**

All of the Company's activities are outsourced to third parties. The Company therefore has no greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013. For the same reason as set out above, the Company considers itself to be a low energy user under the SECR regulations and therefore is not required to disclose energy and carbon information. Further information on the Manager's obligatory disclosures under the Taskforce on Climate-related Financial Disclosures ("TCFD") may be found on the Company's website.

### **Environmental, Community, Social and Human Rights Issues**

The Company has no employees and, accordingly, there are no disclosures to be made in respect of employees. In relation to the investment portfolio, the Board has delegated assessment of these issues to the Investment Manager, responsibility and further information may be found on pages 102 to 105 of the published Annual Report and financial statements for the year ended 31 July 2025.

### **Modern Slavery Act**

Due to the nature of its business, being a Company that does not offer goods and services to customers, the Board considers that the Company is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company is therefore not required to make a slavery and human trafficking statement. The Board considers the Company's supply chains, dealing predominantly with professional advisers and service providers in the financial services industry, to be low risk in relation to this matter.

### **Viability Statement**

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

In assessing the viability of the Company over the review period the Directors have conducted a robust review of the principal risks, focusing upon the following factors:

- The principal risks detailed in the Strategic Report;
- The ongoing relevance of the Company's investment objective in the current environment;
- The demand for the Company's Shares evidenced by the historical level of premium and or discount; and
- The level of income generated by the Company.

In the event of triggering the conditional Tender Offer in 2026, the liquidity of the Company's portfolio has been carefully considered including the results of stress test analysis performed by the Manager under a wide number of market scenarios.

In making this assessment, the Board has examined scenario analysis covering the impact of significant historical market shocks such as the 2008 Global Financial Crisis, Covid-19 and the Chinese Devaluation on the liquidity of the portfolio, as well as future scenarios such as geo-political tensions in East Asia, and how these factors might affect the Company's prospects and viability in the future.

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

### **Future**

The Board's view on the general outlook for the Company can be found in my Chair's Statement on page 11 of the published Annual Report and financial statements for the year ended 31 July 2025 whilst the Investment Manager's views on the outlook for the portfolio are included on page 14 of the published Annual Report and financial statements for the year ended 31 July 2025.

The Strategic Report has been approved by the Board and signed on its behalf by:

**Krishna Shanmuganathan,**

Chair

22 October 2025

# Results

## Performance (total return)

|                                                           | 1 year<br>%<br>return | 3 year<br>%<br>return | 4 year<br>%<br>return <sup>B</sup> | 5 year<br>%<br>return | 10 year<br>%<br>return | % return<br>since<br>inception | % pa return<br>since<br>inception |
|-----------------------------------------------------------|-----------------------|-----------------------|------------------------------------|-----------------------|------------------------|--------------------------------|-----------------------------------|
| Share price <sup>A</sup>                                  | +26.6                 | +47.8                 | +45.4                              | +101.0                | +170.4                 | +3011.8                        | +12.2                             |
| Net asset value per Ordinary share – diluted <sup>A</sup> | +20.3                 | +39.7                 | +37.0                              | +94.4                 | +157.3                 | +2995.6                        | +12.2                             |
| MSCI AC Asia ex Japan Small Cap Index (currency adjusted) | +7.6                  | +32.6                 | +25.9                              | +75.7                 | +130.9                 | +343.5                         | +5.1                              |

<sup>A</sup> Considered to be an Alternative Performance Measure.

<sup>B</sup> Represents the period, following the commencement of monitoring performance with effect from 31 July 2021 to determine whether a tender offer for the Ordinary shares of the Company should be undertaken after five years.

Source: Aberdeen Group, Morningstar, Lipper & MSCI

# Ten Largest Investments

As at 31 July 2025

## Taiwan Union

Taiwan Union Technology Corp is a leading maker of copper clad laminate (CCL), a key base material used to make printed circuit boards. With a strong commitment to R&D, it has moved up the value chain through the years.

3.9%

Total assets

## Chroma ATE

Chroma ATE is a leading provider of precision test and measurement instruments. The company has a strong market position due to its innovative products and solutions, which are widely used in various industries such as electronics, automotive, and renewable energy.

3.7%

Total assets

## Affle India

Affle India operates a data platform that helps direct digital advertising. It is dominant in India where digitalisation has reached an inflection point. The company has also pursued a broader emerging markets growth strategy and now has a meaningful presence in Southeast Asia and Latin America.

2.8%

Total assets

## Precision Tsugami China

The company is an established maker of high precision machine tools and its emphasis on innovation and quality, along with its strong customer relationships, positions it well for sustained growth in the Chinese market.

2.8%

Total assets

## Classys

Korea's Classys is a leading global aesthetic device maker in an exciting fast-growing segment, with a superior brand image, a cost advantage versus peers, and a long growth runway in overseas markets.

2.7%

Total assets

## Asian Terminals

Asian Terminals is an operator, developer and investor of port terminals in the Philippines. It has facilities in both Manila South Harbour and the Port of Batangas, capturing the economic activity of its hinterland which arguably is the epi-centre of trade in the Philippines.

2.6%

Total assets

## Zhejiang Shuanghuan Driveline

Zhejiang Shuanghuan is a leading manufacturer of gears and other transmission systems. Its strong engineering capabilities and commitment to quality have earned it a solid reputation in the market where it is the leading supplier to China's electric vehicle industry.

2.6%

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.

2.5%

Total assets

## NetEase Cloud Music

Netease Cloud Music is the third-ranked music-streaming app in China which is popular with the younger demographic. The platform's high user stickiness is attributed to its personalised playlists and music recommendations. The company is profitable, generates positive cash flow, and boasts a strong net cash position.

2.5%

Total assets

## J.B. Chemicals & Pharmaceuticals

JB Chemicals is one of the top pharmaceutical companies in India by sales, with a strong contract manufacturing business. The company has an attractive financial profile, an experienced and capable management team, and is pursuing multiple growth opportunities on which it is executing well.

2.5%

Total assets

# Portfolio

As at 31 July 2025

| Company                                      | Industry                                       | Country        | Valuation<br>2025<br>£'000 | Total<br>assets<br>% | Valuation<br>2024<br>£'000 |
|----------------------------------------------|------------------------------------------------|----------------|----------------------------|----------------------|----------------------------|
| Taiwan Union Technology Corp                 | Electronic Equipment, Instruments & Components | Taiwan         | 23,520                     | 3.9                  | 16,354                     |
| Chroma ATE                                   | Electronic Equipment, Instruments & Components | Taiwan         | 21,849                     | 3.7                  | 13,474                     |
| Affle India                                  | Media                                          | India          | 16,863                     | 2.8                  | 14,652                     |
| Precision Tsugami China                      | Machinery                                      | China          | 16,639                     | 2.8                  | 12,143                     |
| Classys                                      | Health Care Equipment & Supplies               | South Korea    | 15,912                     | 2.7                  | -                          |
| Asian Terminals                              | Transportation Infrastructure                  | Philippines    | 15,297                     | 2.6                  | 12,623                     |
| Zhejiang Shuanghuan Driveline – A            | Auto Components                                | China          | 15,265                     | 2.6                  | 10,012                     |
| Park Systems Corporation                     | Electronic Equipment, Instruments & Components | South Korea    | 14,887                     | 2.5                  | 18,070                     |
| NetEase Cloud Music                          | Entertainment                                  | China          | 14,876                     | 2.5                  | -                          |
| J.B. Chemicals & Pharmaceuticals             | Pharmaceuticals                                | India          | 14,709                     | 2.5                  | 7,489                      |
| <b>Top ten investments</b>                   |                                                |                | <b>169,817</b>             | <b>28.6</b>          |                            |
| M.P. Evans Group                             | Food Products                                  | United Kingdom | 14,247                     | 2.4                  | 14,751                     |
| Chung-Hsin Electric & Machinery              | Electronic Equipment, Instruments & Components | Taiwan         | 14,160                     | 2.4                  | -                          |
| HD Hyundai Marine Solution                   | Industrial Transportation                      | South Korea    | 14,132                     | 2.4                  | 8,355                      |
| AKR Corporindo                               | Oil, Gas & Consumable Fuels                    | Indonesia      | 14,087                     | 2.4                  | 17,804                     |
| Accton Technology                            | Telecommunications Equipment                   | Taiwan         | 13,437                     | 2.2                  | -                          |
| Yantai China Pet Foods                       | Food Products                                  | China          | 13,184                     | 2.2                  | -                          |
| John Keells Holdings                         | Industrial Conglomerates                       | Sri Lanka      | 12,573                     | 2.1                  | 13,801                     |
| Bharti Hexacom                               | Telecommunications Service Providers           | India          | 12,517                     | 2.1                  | 9,327                      |
| 360 One Wam                                  | Capital Markets                                | India          | 12,407                     | 2.1                  | 12,605                     |
| HD Korea Shipbuilding & Offshore Engineering | Machinery                                      | South Korea    | 12,130                     | 2.0                  | 8,926                      |
| <b>Top twenty investments</b>                |                                                |                | <b>302,691</b>             | <b>50.9</b>          |                            |

|                                      |                                                |             |                |             |        |
|--------------------------------------|------------------------------------------------|-------------|----------------|-------------|--------|
| Vijaya Diagnostic Centre             | Health Care Providers & Services               | India       | 11,878         | 2.0         | 13,285 |
| KFin Technologies                    | Capital Markets                                | India       | 11,573         | 2.0         | 13,532 |
| Asia Vital Components                | Technology Hardware, Storage & Peripherals     | Taiwan      | 11,474         | 1.9         | 2,486  |
| HD Hyundai Electric                  | Electronic Equipment, Instruments & Components | South Korea | 11,252         | 1.9         | -      |
| Military Commercial Joint Stock Bank | Banks                                          | Vietnam     | 11,012         | 1.9         | 7,957  |
| FPT Corporation                      | IT Services                                    | Vietnam     | 10,912         | 1.8         | 22,926 |
| Tongcheng Travel Holdings            | Hotels, Restaurants & Leisure                  | China       | 10,893         | 1.8         | 5,742  |
| United Plantations                   | Food Products                                  | Malaysia    | 10,704         | 1.8         | 9,768  |
| Aptus Value Housing Finance          | Financial Services                             | India       | 10,016         | 1.7         | 7,651  |
| Aegis Logistics                      | Oil, Gas & Consumable Fuels                    | India       | 9,938          | 1.7         | 25,221 |
| <b>Top thirty investments</b>        |                                                |             | <b>412,343</b> | <b>69.4</b> |        |
| Kingdee International Software       | Software                                       | Hong Kong   | 9,810          | 1.6         | -      |
| CapitaLand India Trust               | Real Estate Management & Development           | Singapore   | 9,757          | 1.6         | -      |
| Cholamandalam Financial              | Consumer Finance                               | India       | 9,675          | 1.6         | -      |
| Atour Lifestyle                      | Hotels, Restaurants & Leisure                  | China       | 9,632          | 1.6         | -      |
| UNO Minda                            | Auto Components                                | India       | 9,365          | 1.6         | 8,817  |
| ITC Hotels                           | Hotels, Restaurants & Leisure                  | India       | 9,309          | 1.6         | -      |
| Mobile World Investment Corporation  | Specialty Retail                               | Vietnam     | 8,993          | 1.5         | -      |
| Hang Lung Properties                 | Real Estate Management & Development           | Hong Kong   | 8,643          | 1.5         | 4,383  |
| Makalot Industrial                   | Textiles, Apparel & Luxury Goods               | Taiwan      | 8,342          | 1.4         | 9,349  |
| Mega Lifesciences (Foreign)          | Pharmaceuticals                                | Thailand    | 8,222          | 1.4         | 12,507 |
| <b>Top forty investments</b>         |                                                |             | <b>504,091</b> | <b>84.8</b> |        |

|                                           |                                                |             |                 |              |        |
|-------------------------------------------|------------------------------------------------|-------------|-----------------|--------------|--------|
| Parkwaylife Real Estate                   | Real Estate Management & Development           | Singapore   | 8,010           | 1.4          | -      |
| Hansol Chemical                           | Chemicals                                      | South Korea | 7,934           | 1.3          | 5,980  |
| Century Pacific Food                      | Food Products                                  | Philippines | 7,783           | 1.3          | 6,390  |
| Hesai Group                               | Auto Components                                | China       | 7,526           | 1.3          | -      |
| Bank OCBC NISP                            | Banks                                          | Indonesia   | 7,426           | 1.2          | 15,361 |
| Newgen Software Technologies              | Software                                       | India       | 7,230           | 1.2          | -      |
| Poya International                        | Broadline Retail                               | Taiwan      | 6,926           | 1.2          | -      |
| Sunonwealth Electric Machine Industry     | Machinery                                      | Taiwan      | 6,806           | 1.1          | 7,500  |
| LEENO Industrial                          | Semiconductors & Semiconductor Equipment       | South Korea | 6,415           | 1.1          | 12,036 |
| Phoenix Mills                             | Real Estate Management & Development           | India       | 6,315           | 1.1          | -      |
| <b>Top fifty investments</b>              |                                                |             | <b>576,462</b>  | <b>97.0</b>  |        |
| Chief Telecom                             | Diversified Telecommunication Services         | Taiwan      | 5,956           | 1.0          | -      |
| Aegis Vopak Terminals                     | Oil, Gas & Consumable Fuels                    | India       | 5,864           | 1.0          | -      |
| Hang Lung Group                           | Real Estate Management & Development           | Hong Kong   | 5,749           | 1.0          | 4,383  |
| Philippine Seven                          | Consumer Staples Distribution                  | Philippines | 5,585           | 0.9          | -      |
| Ultrajaya Milk Industry & Trading         | Food Products                                  | Indonesia   | 5,406           | 0.9          | 8,510  |
| Poly Medicure                             | Health Care Equipment & Supplies               | India       | 5,279           | 0.9          | -      |
| Humanica (Foreign)                        | Professional Services                          | Thailand    | 3,883           | 0.6          | 5,068  |
| Indosat                                   | Wireless Telecommunication Services            | Indonesia   | 3,393           | 0.6          | -      |
| KEI Industries                            | Electronic Equipment, Instruments & Components | India       | 3,313           | 0.6          | -      |
| First Sponsor Group (Warrants 21/03/2029) | Real Estate Management & Development           | Singapore   | 61              | -            | 221    |
| <b>Total investments</b>                  |                                                |             | <b>620,951</b>  | <b>104.5</b> |        |
| <b>Net current liabilities</b>            |                                                |             | <b>(26,610)</b> | <b>(4.5)</b> |        |
| <b>Total assets<sup>A</sup></b>           |                                                |             | <b>594,341</b>  | <b>100.0</b> |        |

<sup>A</sup> Total assets less current liabilities.

# Investment Case Studies

## NetEase Cloud Music (China)

### In which year did we first invest?

February 2025

### % Holding:

2.5%

### Where is their head office?

Hangzhou, China

### What does the company do?

NetEase Cloud Music (NEM) is the second-largest operator in China's music streaming market, competing head-to-head with Tencent Music.

### Why do we like the company?

We are seeing a key shift in the way music platforms are perceived in China. Previously, these platforms were viewed as pure streaming services that delivered songs to listeners just like a jukebox. Now, however, the narrative is shifting. Investors are starting to value these platforms as not just low-margin distributors but rather community-based eco-systems with multiple ways of monetising fan engagement, like social media businesses.

Within this context, we decided to invest in NEM, a fast-growing digital music platform in China. It has carved out a niche by focusing on independent artists and social engagement, differentiating itself from a pure streaming platform. NEM also stands out from the crowd for its highly engaged Gen Z user base, with 90% of its users born after 1990. It is dominant in China's Tier-1 and Tier-2 cities, which are economically active and more likely to pay for digital content.

Unlike its main rival Tencent Music Entertainment, which splits its user base across three apps, NEM has a single, unified platform. This gives it a clearer brand identity and stronger user loyalty. Its personalised playlists and music recommendations significantly enhance user experience and are popular with younger users resulting in a customer retention rate of c95%. Over 40% of its streamed content comes from independent musicians, which is cheaper and more profitable than licensed music. By June 2025, NEM had more than 819,000 registered independent artists contributing 4.8 million music tracks to its library.

Although NEM's monetisation is still in its infancy, the company is focused on growing its user base through subscriptions that are priced below its peers. This allows room for future price increases and paywall expansion without losing users. Its partnership with Alibaba also boosts subscriber growth and long-term stickiness. The company currently has more than 200 million monthly active users but only 55 million paying subscribers – a ratio of 26% – which indicates a long runway for revenue growth, alongside improving profitability given the asset-light nature of the business.

Turning to its finances, NEM is profitable with positive cash flow and a healthy balance sheet with its net cash position representing almost 20% of its market capitalisation. Its margins are improving thanks to rising paying users, better cost control and regulatory changes that have reduced licensing costs. It is on track to have positive retained earnings by 2028-2029, which we expect will enable management to do buybacks and pay dividends, boosting shareholder returns.

### How has the company performed since we invested in it?

Since we bought the stock in February 2025, NEM's share price has climbed 48.2% in sterling terms from March to July 2025. This reflects the company's solid business performance. In the first half of 2025, NEM's monthly active users (MAUs) kept growing steadily, while its daily-to-monthly user ratio (DAU/MAU) stayed above 30%, showing healthy engagement. Subscription revenue also rose 15.2% year-on-year, mainly thanks to more paying users,

though this was slightly offset by a lower average spend per user due to a changing subscriber mix. NEM's profitability improved as well. Its gross margin reached 36.4%, up from the same period in 2024, driven by larger scale, better monetisation of the core music business, and ongoing cost controls driving a 40.8% year-on-year increase in operating profit.

## Mobile World (Vietnam)

### In which year did we first invest?

March 2025

### % Holding:

1.5%

### Where is their head office?

Ho Chi Minh City, Vietnam

### What does the company do?

Mobile World is a Vietnamese consumer electronics retailer that has branched out into grocery. It is the biggest domestic grocery retailer with a broad store network and first mover advantage in a country where informal food markets are still prevalent.

### Why do we like the company?

Most Vietnamese still buy their groceries at traditional wet markets. According to NielsenIQ Vietnam, traditional trade channels including small grocery stores and wet markets make up 75–83% of total market sales.

With modern grocery retail so heavily under-penetrated, there is plenty of room for growth. Here is where we see Mobile World, a leading consumer electronics retailer, stand out. It has a first-mover advantage in modern grocery, through its Bach Hoa Xanh (BHX) chain, which operates more than 2,000 minimarts. These marts sell fresh food products, such as meat, fish, and vegetables, along with other essential consumer goods. BHX has the highest share of the modern minimart segment and differentiates itself by making fresh food a core part of its offering, supported by improving cold chain logistics and disciplined store management. We see BHX as a key beneficiary of the structural shift towards organised retail in the country.

Beyond groceries, Mobile World is also Vietnam's largest retailer of phones and electronics. Its core electronics chains – The Gioi Di Dong and Dien May Xanh – generate strong cash flow. After two tough years, the domestic electronics market is recovering on the back of lower interest rates and a product replacement cycle. Mobile World is pushing services like buy now pay later and 0% instalment options to capture more market share alongside differentiated logistics offerings.

Another smaller but fast-growing business within the Group is pharmacy, with Mobile World's An Khang chain having the third highest market share in the country. The pharmacy retail market in Vietnam is also highly fragmented with traditional shops accounting for the lion's share of the market. Management aims to grow revenue and reach breakeven by improving store productivity.

Overall, we view Mobile World as an attractively valued company, backed by experienced management with a good track record in retail execution. It is well placed to capitalise on the underpenetrated modern retail and ecommerce sectors, given the exciting growth dynamics as well as rising wealth levels in Vietnam.

### How has the company performed since we invested in it?

Since we first invested in it in March 2025, Mobile World's share price has risen by 6.9% (from April to July 2025) in sterling terms. However there has been broader short-term weakness in the domestic stock market, owing to tariff concerns, policy uncertainty and mixed economic indicators. We are seeing signs of a property recovery in the north, but it remains sluggish in the south. Consumer spending continues to be lacklustre, including in the second quarter of 2025. We remain confident that Mobile World's fundamentals will continue to support its longer-term growth outlook.

# Korea Shipbuilding & Offshore Engineering (Korea)

## In which year did we first invest?

February 2024

## % Holding:

2.0%

## Where is their head office?

Gyeonggi Province, South Korea

## What does the company do?

Korea Shipbuilding & Offshore Engineering (KSOE) is the world's largest shipbuilder by capacity.

## Why do we like the company?

KSOE's transition from a small-cap stock to a large-cap leader epitomises why we like the company, and how structural tailwinds have reshaped the shipbuilding industry.

Founded in a small fishing village in 1972, the company has now grown into a cash-generating group that controls the world's largest shipbuilding platform through Hyundai Heavy Industries, Samho Heavy Industry (100%) and Hyundai Mipo Dockyard. Together they hold about 17% of the global market share.

When we first invested in KSOE in early 2024, our investment case had rested on strong fundamentals: tight industry supply, superior technology, a deep order book and improving pricing, all of which are driving higher, more durable margins and strong free cash flow.

Furthermore, key structural pillars support the outlook for KSOE. First, the industry is in a long, replacement-led newbuild cycle. Ageing fleets and tougher emissions rules mean that ship owners are ordering newer and cleaner ships, lifting dock usage and delivery gains across KSOE's yards.

Second, KSOE is gaining market share in eco-friendly ships due to its strong research and development capabilities. It leads in LNG-dual fuel engines, focusing on X-DF engines, which lower carbon emissions by reducing heavy-fuel oil usage and are more profitable than fossil fuel engines. Notably, even Chinese yards, which are KSOE's fiercest rivals, continue to outsource complex engines to the company.

Meanwhile, supply chain relocation and tariff uncertainty are pushing some demand from Chinese to Korean yards. This has narrowed historic price gaps and reinforced KSOE's win rate, especially in eco-friendly ships and containers.

Finally, Korea's Value Up programme to boost corporate governance reform could prove pivotal in unlocking shareholder value. KSOE is cash-rich and still trades at a big discount to its net asset value. We see room for the group to lift its payouts, either by raising dividends and/or conducting share buybacks, and to manage its capital more efficiently. All this could support a sustained re-rating of the company.

## How has the company performed since we invested in it?

Since we first invested in it in February 2024, KSOE's share price has risen 203.4% (March 2024 to July 2025) in sterling terms. We believe KSOE can deliver sustainable returns for years to come, supported by quality assets, industry tailwinds and growing cash payouts.

# Directors' Report

The Directors present their Report and the audited financial statements for the year ended 31 July 2025.

## Results and Dividends

Details of the Company's results and proposed dividends are shown on page 23 of the published Annual Report and financial statements for the year ended 31 July 2025.

## Investment Trust Status

The Company (registered in England & Wales No. 03106339) has been accepted by HM Revenue & Customs as an investment trust subject to the Company continuing to meet the relevant eligibility conditions of Section 1158 of the Corporation Tax Act 2010 and the ongoing requirements of Part 2 Chapter 3 Statutory Instrument 2011/2999 for all financial years commencing on or after 1 August 2012. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 July 2025 so as to enable it to comply with the ongoing requirements for investment trust status.

## Individual Savings Accounts

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

## Capital Structure, Buybacks and Issuance

The Company's capital structure is summarised in note 14 to the financial statements.

At 31 July 2025, there were 146,335,588 fully paid Ordinary shares of 5p each (2024 – 153,626,718 Ordinary shares of 5p each) in issue with a further 72,964,590 Ordinary shares of 5p held in treasury (2024 – 55,094,590 Ordinary shares of 5p each held in treasury). During the year 17,870,000 Ordinary shares were purchased in the market for treasury (2024 – 2,850,000). During the period and up to the date of this report no new Ordinary shares were issued for cash and no shares were sold from treasury. Subsequent to the period end, 3,245,000 Ordinary shares were purchased in the market for treasury.

On 13 December 2024, 46,704 units of Convertible Unsecured Loan Stock 2025 ("CULS") were converted into 15,937 new Ordinary shares of 5p each. On 31 May 2025 the CULS issue matured and £35,578,398 nominal were redeemed by the CULS Trustee at £1 per unit with the remaining balance of £30,949,618 units converted into 10,562,933 new Ordinary shares. In accordance with the terms of the CULS Issue, (as adjusted to reflect the five for one share subdivision in February 2022), the conversion price of the CULS for both conversions was determined at 293.0p nominal of CULS for one Ordinary share of 5p.

## Voting Rights

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends. On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings.

## Gearing

On 1 December 2020 the Company issued a £30 million Senior Unsecured Loan Note (the "Loan Note") at an annualised interest rate of 3.05%. The Loan Note is unsecured, unlisted and denominated in sterling and due to mature in 2035. The Loan Note ranks *pari passu* with the Company's other unsecured and unsubordinated financial indebtedness.

On 31 May 2025 the Company entered into a new, secured, two-year multi-currency revolving credit facility of £35 million with The Bank of Nova Scotia, London Branch which will expire on 28 May 2027. Under the terms of the Facility, the Company also has the option to increase the level of the commitment to £50 million, subject to the lender's credit approval. £35 million has been drawn down under the new facility.

### **Management Agreement**

The Company has appointed abrdrn Fund Managers Limited ("aFML"), a wholly owned subsidiary of Aberdeen Group Plc ("Aberdeen"), as its alternative investment fund manager. aFML has been appointed to provide investment management, risk management, administration and company secretarial services and promotional activities to the Company. The Company's portfolio is managed by abrdrn Asia Limited ("abrdrn Asia") by way of a group delegation agreement in place between aFML and abrdrn Asia. In addition, aFML has sub-delegated administrative and secretarial services to abrdrn Holdings Limited and promotional activities to abrdrn Investments Limited ("aIL").

### **Management Fee**

The annual management fee is based upon the market capitalisation of the Company and charged at 0.85% for the first £250,000,000, 0.60% for the next £500,000,000 and 0.50% over £750,000,000. Investment management fees are charged 25% to revenue and 75% to capital.

The management agreement may be terminated by either the Company or the Manager on the expiry of three months' written notice. On termination, the Manager would be entitled to receive fees which would otherwise have been due to that date.

The Management Engagement Committee reviews the terms of the management agreement on a regular basis and have confirmed that, due to the long-term relative performance, investment skills, experience and commitment of the investment management team, in their opinion the continuing appointment of aFML and abrdrn Asia is in the interests of shareholders as a whole.

### **Political and Charitable Donations**

The Company does not make political donations (2024 – nil) and has not made any charitable donations during the year (2024 – nil).

### **Risk Management**

Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 19 to the financial statements.

### **The Board**

The current Directors, C Black, K Shanmuganathan, L Cooper, A Finn, L Macdonald and D Curling were the only Directors who served during the year. Pursuant to Principle 23 of the AIC's Code of Corporate Governance which recommends that all directors should be subject to annual re-election by shareholders, all the members of the Board will retire at the AGM scheduled for 8 December 2024 and offer themselves for re-election. Details of each Director's contribution to the long-term success of the Company are provided on page 47 of the published Annual Report and financial statements for the year ended 31 July 2025.

The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all the Directors contribute effectively.

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

### **The Role of the Chair**

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

Davina Curling has been appointed Senior Independent Director, acting as a sounding board for the Chair and acting as an intermediary for other Directors as applicable. The Audit Committee Chairman and Senior Independent Director are both available to shareholders to discuss any concerns they may have.

### Board Diversity

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

The Board has resolved that the Company's year-end date is the most appropriate date for disclosure purposes. The following information has been provided by each Director through the completion of questionnaires.

### Table for reporting on gender as at 31 July 2025

|                                 | Number of<br>board<br>members | Percentage of<br>the board | Number of<br>senior<br>positions<br>on the board<br>(CEO, CFO,<br>Chair and SID) | Number in<br>executive<br>management | Percentage of<br>executive<br>management |
|---------------------------------|-------------------------------|----------------------------|----------------------------------------------------------------------------------|--------------------------------------|------------------------------------------|
| Men                             | 3                             | 50%                        | 2                                                                                | n/a<br>(note 4)                      | n/a<br>(note 4)                          |
| Women                           | 3                             | 50%<br>(note 1)            | 1<br>(note 3)                                                                    |                                      |                                          |
| Not specified/prefer not to say | -                             | -                          | -                                                                                |                                      |                                          |

### Table for reporting on ethnic background as at 31 July 2025

|                                                                   | Number of<br>board<br>members | Percentage of<br>the board | Number of<br>senior<br>positions<br>on the board<br>(CEO, CFO,<br>Chair and SID) | Number in<br>executive<br>management | Percentage of<br>executive<br>management |
|-------------------------------------------------------------------|-------------------------------|----------------------------|----------------------------------------------------------------------------------|--------------------------------------|------------------------------------------|
| White British or other White<br>(including minority-white groups) | 5                             | 80%                        | 2<br>(note 3)                                                                    | n/a<br>(note 4)                      | n/a<br>(note 4)                          |
| Mixed / Multiple Ethnic Groups                                    | -                             | -                          | -                                                                                |                                      |                                          |
| Asian/Asian British                                               | 1                             | 20%<br>(note 2)            | 1                                                                                |                                      |                                          |
| Black/African/Caribbean/Black<br>British                          | -                             | -                          | -                                                                                |                                      |                                          |
| Other ethnic group, including Arab                                | -                             | -                          | -                                                                                |                                      |                                          |
| Not specified/prefer not to say                                   | -                             | -                          | -                                                                                |                                      |                                          |

#### Notes:

1. The Company meets the target that at least 40% of Directors are women as set out in LR 6.6.6R (9)(a)(i) for the year ended 31 July 2025.
2. The Company meets the target that at least one Director is from a minority ethnic background as set out in LR 6.6.6R (9)(a)(iii).

3. The Company meets the target that at least one of the senior positions is filled by a woman set out in LR 6.6.6R(a)(ii), for the year to 31 July 2025 as Ms Davina Curling is Senior independent Director. The Company is externally managed and does not have any executive staff specifically it does not have either a CEO or CFO. The Board believes that it is appropriate and reasonable that the role of Audit Committee Chairman on an investment trust that has no executive staff should also be considered to be a senior position.
4. This column is not applicable as the Company is externally managed and does not have any executive staff.

## Corporate Governance

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

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

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

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

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

For the reasons set out in the AIC Code, and as explained in the UK Corporate Governance Code, the Board considers that provisions 1 to 4 above are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of provisions 1 to 4 above. The full text of the Company's Corporate Governance Statement can be found on the Company's website: [asia-focus.co.uk](https://asia-focus.co.uk).

The Board is cognisant of the FRC's new Corporate Governance Code 2024 provisions effective for financial years commencing on 1 January 2025 and expects to be in compliance with the relevant elements of this Code for the year ending 31 July 2026.

During the year ended 31 July 2025, the Board had five scheduled meetings. In addition, the Audit Committee met twice, and the Management Engagement Committee met once and there has been a number of ad hoc Board meetings. Between meetings the Board maintains regular contact with the Manager. Directors have attended the following scheduled Board meetings and Committee meetings during the year ended 31 July 2025 (with their eligibility to attend the relevant meeting in brackets):

| Director                      | Board | Audit Committee | Nomination Committee | Management Engagement Committee |
|-------------------------------|-------|-----------------|----------------------|---------------------------------|
| K Shanmuganathan <sup>A</sup> | 5 (5) | n/a             | 2 (2)                | 1 (1)                           |
| C Black                       | 5 (5) | 2 (2)           | 2 (2)                | 1 (1)                           |
| L. Cooper                     | 5 (5) | 2 (2)           | 2 (2)                | 1 (1)                           |
| A Finn                        | 5 (5) | 2 (2)           | 2 (2)                | 1 (1)                           |
| L Macdonald                   | 3 (3) | 2 (2)           | 2 (2)                | 1 (1)                           |
| D Curling                     | 3 (3) | 2 (2)           | 2 (2)                | 1 (1)                           |

<sup>A</sup> The Chair is not a member of the Audit Committee but typically attends each meeting by invitation.

**Policy on Tenure**

In compliance with the provisions of the AIC Code, it is expected that Directors will serve in accordance with the nine-year time limits laid down by the AIC Code.

**Board Committees****Audit Committee**

The Audit Committee Report is on pages 57 to 59 of the published Annual Report and financial statements for the year ended 31 July 2025.

**Nomination Committee**

All appointments to the Board of Directors are considered by the Nomination Committee which comprises all of the Directors. The Board's overriding priority in appointing new Directors to the Board is to identify the candidate with the best range of skills and experience to complement existing Directors. The Board also recognises the benefits of diversity and its policy on diversity is referred to in the Strategic Report on page 21 of the published Annual Report and financial statements for the year ended 31 July 2025.

In March 2025 the Board undertook its annual evaluation of the Board, Directors, the Chair and the Audit Committee which was conducted by questionnaires facilitated by an independent external evaluation service provider, Board Forms. Following the evaluation process, the Board noted certain minor action points and concluded that, overall, it operates effectively to promote the success of the Company and that each Director makes an effective contribution to the collective actions of the Board.

The Nomination Committee has reviewed the contributions of each Director ahead of their proposed re-elections at the AGM on 8 December 2025. Ms Black has continued to bring significant financial promotion, marketing and communications expertise to the Board and has been closely involved in the appointment of external PR consultants during the year; Mr Shanmuganathan has continued to bring his deep experience of Asia and has chaired all meetings effectively; Mr Cooper has brought the weight of his significant local and up to date Asian market experience to the Board's discussions; Mr Finn has brought relevant and recent accounting and financial experience to the board and has led the Audit Committee with expertise; Ms Macdonald has contributed significantly to the regular investment discussions and Ms Curling has contributed bringing her significant investment trust expertise to Board discussions. For the foregoing reasons, the independent members of the Nomination Committee have no hesitation in recommending the re-election of each Director who will be submitting themselves for re-election at the AGM on 8 December 2025.

**Management Engagement Committee**

The Management Engagement Committee comprises all the Directors and is chaired by Mr Finn. The Committee is responsible for reviewing the performance of the Investment Manager and its compliance with the terms of the management and secretarial agreement. The terms and conditions of the Investment Manager's appointment, including an evaluation of fees, are reviewed by the Committee on an annual basis. The Committee believes that the continuing appointment of the Manager on the terms agreed is in the interests of shareholders as a whole.

**Remuneration Committee**

Under the UK Listing Authority rules, where an investment trust has only non-executive directors, the Code principles relating to directors' remuneration do not apply. Accordingly, matters relating to remuneration are dealt with by the full Board, which acts as the Remuneration Committee, and is chaired by the Chair.

The Company's remuneration policy is to set remuneration at a level to attract individuals of a calibre appropriate to the Company's future development. Further information on remuneration is disclosed in the Directors' Remuneration Report on pages 53 to 55 of the published Annual Report and financial statements for the year ended 31 July 2025.

## Terms of Reference

The terms of reference of all the Board Committees may be found on the Company's website [asia-focus.co.uk](http://asia-focus.co.uk) and copies are available from the Company Secretary upon request. The terms of reference are reviewed and re-assessed by the Board for their adequacy on an annual basis.

## Internal Control

In accordance with the Disclosure and Transparency Rules (DTR 7.2.5), the Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness and confirms that there is an ongoing process for identifying, evaluating and managing the significant risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and Financial Statements. It is regularly reviewed by the Board and accords with the FRC Guidance.

The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and policies by which these risks are managed.

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

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

The significant risks faced by the Company have been identified as being financial; operational; and compliance related.

The key components of the process designed by the Directors to provide effective internal control are outlined below:

- the Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its performance;
- the Board and Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board and there are meetings with the Manager and Investment Manager as appropriate;
- as a matter of course the Manager's compliance department continually reviews Aberdeen's operations and reports to the Board on a six monthly basis;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third-party service providers and, where relevant, ISAE3402 Reports, a global assurance standard for reporting on internal controls for service organisations, or their equivalents are reviewed;
- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within Aberdeen, has decided to place reliance on the Manager's systems and internal audit procedures; and
- at its October 2025 meeting, the Audit Committee carried out an annual assessment of internal controls for the year ended 31 July 2025 by considering documentation from the Manager, Investment Manager and the Depositary, including the internal audit and compliance functions and taking account of events since 31 July 2025. The results of the assessment, that internal controls are satisfactory, were then reported to the Board at the next Board meeting.

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

### **Going Concern**

In accordance with the Financial Reporting Council's guidance the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist of equity shares in companies listed on recognised stock exchanges and are considered by the Board to be realisable within a relatively short timescale under normal market conditions. The Board has set overall limits for borrowing and reviews regularly the Company's level of gearing, cash flow projections and compliance with banking covenants.

The Board has reviewed stress testing on the portfolio covering reasonably possible downside market scenarios with attention on the resulting liquidity of the portfolio. The plausible downside scenarios modelled include historical market events including the Global Financial crisis in 2008, COVID-19 and other similar shocks and resulted in a reduction in portfolio valuation of up to 26.1% in the worst case.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report on pages 19 and 20 of the published Annual Report and financial statements for the year ended 31 July 2025 and they believe that the Company has adequate financial resources to continue its operational existence for a period of 12 months from the date of approval of this Annual Report. They have arrived at this conclusion having confirmed that the Company's diversified portfolio of realisable securities is sufficiently liquid and could be used to meet short-term funding requirements were they to arise, including in potentially less favourable market conditions. The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year and considered the Company's Statement of Financial Position as at 31 July 2025 which shows net current liabilities of £26.6 million at that date, and do not consider this to be a concern due to the liquidity of the portfolio which would enable the Company to meet any short term liabilities if required. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

### **Management of Conflicts of Interest**

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

No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 18 to the financial statements. No other Directors had any interest in contracts with the Company during the period or subsequently.

The Board has adopted appropriate procedures designed to prevent bribery. The Company receives periodic reports from its service providers on the anti-bribery policies of these third parties. It also receives regular compliance reports from the Manager.

The Criminal Finances Act 2017 introduced a new corporate criminal offence of "failing to take reasonable steps to prevent the facilitation of tax evasion". The Board has confirmed that it is the Company's policy to conduct all its business in an honest and ethical manner. The Board takes a zero-tolerance approach to facilitation of tax evasion, whether under UK law or under the law of any foreign country.

### **Accountability and Audit**

The respective responsibilities of the Directors and the auditors in connection with the financial statements are set out on pages 56 and 67 respectively of the published Annual Report and financial statements for the year ended 31 July 2025.

Each Director confirms that:

- so far as he or she is aware, there is no relevant audit information of which the Company's auditors are unaware; and,
- each Director has taken all the steps that they could reasonably be expected to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Additionally, there have been no important events since the year end that impact this Annual Report.

The Directors have reviewed the independent auditors' procedures in connection with the provision of non-audit services. No non-audit services were provided by the independent auditors during the year and the Directors remain satisfied that the auditors' objectivity and independence has been safeguarded.

### Independent Auditors

At the December 2024 AGM shareholders approved the re-appointment of PricewaterhouseCoopers LLP ("PwC") as independent auditors to the Company. PwC has expressed its willingness to continue to be the Company's auditors and a Resolution to re-appoint PwC as the Company's auditors and to authorise the Directors to fix the auditors' remuneration will be put to the forthcoming Annual General Meeting.

### Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at 31 July 2025:

| Shareholder                                  | No. of Ordinary shares held | % held |
|----------------------------------------------|-----------------------------|--------|
| City of London Investment Management Company | 27,423,247                  | 18.7   |
| Interactive Investor (non-beneficial)        | 18,944,512                  | 12.9   |
| Allspring Global Investments                 | 15,468,767                  | 10.6   |
| Hargreaves Lansdown (non-beneficial)         | 10,456,605                  | 7.1    |
| Funds managed by Aberdeen                    | 12,208,249                  | 8.3    |
| Lazard Asset Management                      | 6,217,814                   | 4.2    |
| Charles Stanley                              | 4,359,108                   | 3.0    |

On 18 September 2025 City of London Investment Management Company notified a change in holding to 24,511,466 (16.9%) Ordinary shares. There have been no other significant changes notified in respect of the above holdings between 31 July 2025 and 22 October 2025.

### The UK Stewardship Code and Proxy Voting

Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the AIFM which has sub-delegated that authority to the Manager.

The Manager follows the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance.

### Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Annual Report is widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Manager's freephone information service and the Company's website [asia-focus.co.uk](http://asia-focus.co.uk). The Company responds to letters from shareholders on a wide range of issues. The Chair, often in conjunction with another Director, meets with the largest shareholders at least annually.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the Aberdeen Group (either the Company Secretary or the Manager) in situations where direct

communication is required and usually a representative from the Board meets with major shareholders on an annual basis to gauge their views.

The Notice of the Annual General Meeting, included within the Annual Report and financial statements, is sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board or the Manager, either formally at the Company's Annual General Meeting or, where possible, at the subsequent buffet luncheon for shareholders. The Company Secretary is available to answer general shareholder queries at any time throughout the year.

### **Consumer Duty**

The FCA's Consumer Duty rules were published in July 2022. The rules comprise a fundamental component of the FCA's consumer protection strategy and aim to improve outcomes for retail customers across the entire financial services industry through the assessment of various outcomes, one of which is an assessment of whether a product provides value. Under the Consumer Duty, the Manager is the product 'manufacturer' of the Company and therefore the Manager was required to publish its assessment of value from April 2023. Using a specially developed assessment methodology, the Manager assessed the Company as 'expected to provide fair value for the reasonably foreseeable future'. The Board reviews the Manager's annual assessment in order to better understand the Manager's basis of assessment and no concerns were identified with either the assessment method or the outcome of the assessment.

### **Special Business at the Annual General Meeting**

#### **Directors' Authority to Allot Relevant Securities**

Approval is sought in Resolution 11, an ordinary resolution, to renew the Directors' existing general power to allot securities but will also, provide a further authority (subject to certain limits), to allot shares under a fully pre-emptive rights issue. The effect of Resolution 11 is to authorise the Directors to allot up to a maximum of 95.5 million shares in total (representing approximately 2/3 of the existing issued capital of the Company), of which a maximum of 47.7 million shares (approximately 1/3 of the existing issued share capital) may only be applied to fully pre-emptive rights issues. This authority is renewable annually and will expire at the conclusion of the next Annual General Meeting. The Board has no present intention to utilise this authority.

#### **Disapplication of Pre-emption Rights**

Resolution 12 is a special resolution that seeks to renew the Directors' existing authority until the conclusion of the next Annual General Meeting to make limited allotments of shares for cash of up to 10% of the issued share capital other than according to the statutory pre-emption rights which require all shares issued for cash to be offered first to all existing shareholders. This authority includes the ability to sell shares that have been held in treasury (if any), having previously been bought back by the Company. The Board has established guidelines for treasury shares and will only consider buying in shares for treasury at a discount to their prevailing NAV and selling them from treasury at or above the then prevailing NAV.

New shares issued in accordance with Resolution 12 and subject to the authority to be conferred by Resolution 11 will always be issued at a premium to the NAV per Ordinary share at the time of issue. The Board will issue new Ordinary shares or sell Ordinary shares from treasury for cash when it is appropriate to do so, in accordance with its current policy. It is therefore possible that the issued share capital of the Company may change between the date of this document and the Annual General Meeting and therefore the authority sought will be in respect of 10% of the issued share capital as at the date of the Annual General Meeting rather than the date of this document.

#### **Purchase of the Company's Shares**

Resolution 13 is a special resolution proposing to renew the Directors' authority to make market purchases of the Company's shares in accordance with the provisions contained in the Companies Act 2006 and the Listing Rules of the Financial Conduct Authority. The minimum price to be paid per Ordinary share by the Company will not be less than 5p per share (being the nominal value) and the maximum price should not be more than the higher of (i) 5% above the average of the middle market quotations for the shares for the preceding five business days; and (ii)

the higher of the last independent trade and the current highest independent bid on the trading venue where the purchase is carried out.

The Directors do not intend to use this authority to purchase the Company's Ordinary shares unless to do so would result in an increase in NAV per share and would be in the interests of shareholders generally. The authority sought will be in respect of 14.99% of the issued share capital as at the date of the Annual General Meeting rather than the date of this document.

The authority being sought in Resolution 13 will expire at the conclusion of the next Annual General Meeting unless it is renewed before that date. Any Ordinary shares purchased in this way will either be cancelled and the number of Ordinary shares will be reduced accordingly or under the authority granted in Resolution 12 above, may be held in treasury. During the year the Company has not bought back any Ordinary shares for Treasury.

If Resolutions 11 to 13 are passed, then an announcement will be made on the date of the Annual General Meeting which will detail the exact number of Ordinary shares to which each of these authorities relate.

These powers will give the Directors additional flexibility going forward and the Board considers that it will be in the interests of the Company that such powers be available. Such powers will only be implemented when, in the view of the Directors, to do so will be to the benefit of shareholders as a whole.

### **Notice of Meetings**

Resolution 14 is a special resolution seeking to authorise the Directors to call general meetings of the Company (other than Annual General Meetings) on 14 days' notice. This approval will be effective until the Company's next Annual General Meeting in 2026. In order to utilise this shorter notice period, the Company is required to ensure that shareholders are able to vote electronically at the general meeting called on such short notice. The Directors confirm that, in the event that a general meeting is called, they will give as much notice as practicable and will only utilise the authority granted by Resolution 14 in limited and time sensitive circumstances.

### **Dividend Policy**

As a result of the timing of the payment of the Company's quarterly dividends, the Company's Shareholders are unable to approve a final dividend each year. In line with good corporate governance, the Board therefore proposes to put the Company's dividend policy to Shareholders for approval at the Annual General Meeting and on an annual basis thereafter.

The Company's dividend policy shall be that dividends on the Ordinary Shares are payable quarterly in relation to periods ending October, January, April and July. It is intended that the Company will pay quarterly dividends consistent with the expected annual underlying portfolio yield. The Company has the flexibility in accordance with its Articles to make distributions from capital. Resolution 3, an ordinary resolution, will seek shareholder approval for the dividend policy.

### **Recommendation**

Your Board considers Resolutions 11 to 14 to be in the best interests of the Company and its members as a whole and most likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, your Board unanimously recommends that shareholders should vote in favour of Resolutions 11 to 14 to be proposed at the AGM, as they intend to do in respect of their own beneficial shareholdings amounting to 41,947 Ordinary shares.

### **By order of the Board**

**abrdn Holdings Limited –Secretaries**

280 Bishopsgate  
London EC2M 4AG  
22 October 2025

# Statement of Comprehensive Income

|                                                     |       | Year ended 31 July 2025 |                  |                | Year ended 31 July 2024 |                  |                |
|-----------------------------------------------------|-------|-------------------------|------------------|----------------|-------------------------|------------------|----------------|
|                                                     |       | Revenue<br>£'000        | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000        | Capital<br>£'000 | Total<br>£'000 |
|                                                     | Notes |                         |                  |                |                         |                  |                |
| Gains on investments                                | 10    | -                       | 83,832           | 83,832         | -                       | 39,271           | 39,271         |
| Income                                              | 3     | 15,203                  | -                | 15,203         | 17,272                  | -                | 17,272         |
| Exchange losses                                     |       | -                       | (969)            | (969)          | -                       | (1,052)          | (1,052)        |
| Investment management fees                          | 4     | (819)                   | (2,457)          | (3,276)        | (769)                   | (2,307)          | (3,076)        |
| Administrative expenses                             | 5     | (1,505)                 | (77)             | (1,582)        | (1,306)                 | -                | (1,306)        |
| <b>Net return before finance costs and taxation</b> |       | <b>12,879</b>           | <b>80,329</b>    | <b>93,208</b>  | <b>15,197</b>           | <b>35,912</b>    | <b>51,109</b>  |
| Finance costs                                       | 6     | (543)                   | (1,630)          | (2,173)        | (501)                   | (1,504)          | (2,005)        |
| <b>Net return before taxation</b>                   |       | <b>12,336</b>           | <b>78,699</b>    | <b>91,035</b>  | <b>14,696</b>           | <b>34,408</b>    | <b>49,104</b>  |
| Taxation                                            | 7     | (1,235)                 | 135              | (1,100)        | (1,407)                 | (10,372)         | (11,779)       |
| <b>Net return after taxation</b>                    |       | <b>11,101</b>           | <b>78,834</b>    | <b>89,935</b>  | <b>13,289</b>           | <b>24,036</b>    | <b>37,325</b>  |
|                                                     |       |                         |                  |                |                         |                  |                |
| <b>Return per share (pence):</b>                    | 9     |                         |                  |                |                         |                  |                |
| <b>Basic</b>                                        |       | <b>7.44</b>             | <b>52.82</b>     | <b>60.26</b>   | 8.59                    | 15.53            | 24.12          |
| <b>Diluted</b>                                      |       | <b>7.16</b>             | <b>50.32</b>     | <b>57.48</b>   | 8.08                    | 14.77            | 22.85          |

For the period applicable before the repayment of Convertible Unsecured Loan stock during the year ended 31 July 2025 the conversion option for potential Ordinary shares within the Convertible Unsecured Loan Stock was dilutive to the revenue and capital return per Ordinary share (2024 – dilutive to revenue and capital return).

The total column of this statement represents the profit and loss account of the Company. There is no other comprehensive income and therefore the net return after taxation is also the total comprehensive income for the year.

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

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

# Statement of Financial Position

|                                                                 | Notes | As at<br>31 July 2025<br>£'000 | As at<br>31 July 2024<br>£'000 |
|-----------------------------------------------------------------|-------|--------------------------------|--------------------------------|
| <b>Non-current assets</b>                                       |       |                                |                                |
| Investments at fair value through profit or loss                | 10    | 620,951                        | 564,797                        |
| <b>Current assets</b>                                           |       |                                |                                |
| Debtors and prepayments                                         | 11    | 5,728                          | 3,808                          |
| Cash and cash equivalents                                       |       | 12,512                         | 12,703                         |
|                                                                 |       | 18,240                         | 16,511                         |
| <b>Creditors: amounts falling due within one year</b>           |       |                                |                                |
| Other creditors                                                 | 12    | (9,979)                        | (2,483)                        |
| Bank Loan                                                       | 12    | (34,871)                       | -                              |
| 2.25% Convertible Unsecured Loan Stock 2025                     | 12    | -                              | (36,368)                       |
|                                                                 |       | (44,850)                       | (38,851)                       |
| <b>Net current liabilities</b>                                  |       | <b>(26,610)</b>                | <b>(22,340)</b>                |
| <b>Total assets less current liabilities</b>                    |       | <b>594,341</b>                 | <b>542,457</b>                 |
| <b>Non-current liabilities</b>                                  |       |                                |                                |
| <b>Creditors: amounts falling due after more than one year</b>  |       |                                |                                |
| 3.05% Senior Unsecured Loan Note 2035                           | 13    | (29,913)                       | (29,906)                       |
| Deferred tax liability on Indian capital gains                  | 13    | (5,835)                        | (10,291)                       |
|                                                                 |       | (35,748)                       | (40,197)                       |
| <b>Net assets</b>                                               |       | <b>558,593</b>                 | <b>502,260</b>                 |
| <b>Capital and reserves</b>                                     |       |                                |                                |
| Called up share capital                                         | 14    | 10,965                         | 10,436                         |
| Capital redemption reserve                                      |       | 2,062                          | 2,062                          |
| Share premium account                                           |       | 90,962                         | 60,495                         |
| Equity component of 2.25% Convertible Unsecured Loan Stock 2025 | 13    | -                              | 1,057                          |
| Capital reserve                                                 | 15    | 435,081                        | 409,798                        |
| Revenue reserve                                                 |       | 19,523                         | 18,412                         |
| <b>Total shareholders' funds</b>                                |       | <b>558,593</b>                 | <b>502,260</b>                 |
| <b>Net asset value per share (pence):</b>                       |       |                                |                                |
| <b>Basic</b>                                                    | 16    | <b>381.72</b>                  | <b>326.94</b>                  |
| <b>Diluted</b>                                                  | 16    | <b>381.72</b>                  | <b>324.26</b>                  |

The financial statements were approved by the Board of Directors and authorised for issue on 22 October 2025 and were signed on behalf of the Board by:

**Krishna Shanmuganathan**

Chair

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

# Statement of Changes in Equity

For the year ended 31 July 2025

|                                                                  | Note | Share capital<br>£'000 | Capital redemption<br>reserve<br>£'000 | Share premium<br>account<br>£'000 | Equity Component<br>CULS 2025<br>£'000 | Capital reserve<br>£'000 | Revenue reserve<br>£'000 | Total<br>£'000 |
|------------------------------------------------------------------|------|------------------------|----------------------------------------|-----------------------------------|----------------------------------------|--------------------------|--------------------------|----------------|
| Balance at 1 August 2024                                         |      | 10,436                 | 2,062                                  | 60,495                            | 1,057                                  | 409,798                  | 18,412                   | 502,260        |
| Issue of Ordinary shares following conversion of 2.25% CULS 2025 | 12   | 529                    | -                                      | 30,467                            | (1,057)                                | -                        | 1,057                    | 30,996         |
| Purchase of own shares to treasury                               | 14   | -                      | -                                      | -                                 | -                                      | (53,551)                 | -                        | (53,551)       |
| Net return after taxation                                        |      | -                      | -                                      | -                                 | -                                      | 78,834                   | 11,101                   | 89,935         |
| Dividends paid                                                   | 8    | -                      | -                                      | -                                 | -                                      | -                        | (11,047)                 | (11,047)       |
| <b>Balance at 31 July 2025</b>                                   |      | <b>10,965</b>          | <b>2,062</b>                           | <b>90,962</b>                     | <b>-</b>                               | <b>435,081</b>           | <b>19,523</b>            | <b>558,593</b> |

For the year ended 31 July 2024

|                                                                  | Note | Share capital<br>£'000 | Capital redemption<br>reserve<br>£'000 | Share premium<br>account<br>£'000 | Equity Component<br>CULS 2025<br>£'000 | Capital reserve<br>£'000 | Revenue reserve<br>£'000 | Total<br>£'000 |
|------------------------------------------------------------------|------|------------------------|----------------------------------------|-----------------------------------|----------------------------------------|--------------------------|--------------------------|----------------|
| Balance at 1 August 2023                                         |      | 10,435                 | 2,062                                  | 60,441                            | 1,057                                  | 393,238                  | 18,551                   | 485,784        |
| Issue of Ordinary shares following conversion of 2.25% CULS 2025 | 12   | 1                      | -                                      | 54                                | -                                      | -                        | -                        | 55             |
| Purchase of own shares to treasury                               | 14   | -                      | -                                      | -                                 | -                                      | (7,476)                  | -                        | (7,476)        |
| Net return after taxation                                        |      | -                      | -                                      | -                                 | -                                      | 24,036                   | 13,289                   | 37,325         |
| Dividends paid                                                   | 8    | -                      | -                                      | -                                 | -                                      | -                        | (13,428)                 | (13,428)       |
| <b>Balance at 31 July 2024</b>                                   |      | <b>10,436</b>          | <b>2,062</b>                           | <b>60,495</b>                     | <b>1,057</b>                           | <b>409,798</b>           | <b>18,412</b>            | <b>502,260</b> |

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

# Statement of Cash Flows

|                                                           | Notes | Year ended<br>31 July 2025<br>£'000 | Year ended<br>31 July 2024<br>£'000 |
|-----------------------------------------------------------|-------|-------------------------------------|-------------------------------------|
| Cash flows from operating activities                      |       |                                     |                                     |
| Net return before finance costs and tax                   |       | 93,208                              | 51,109                              |
| Adjustments for:                                          |       |                                     |                                     |
| Dividend income                                           | 3     | (14,715)                            | (16,802)                            |
| Interest income                                           | 3     | (488)                               | (470)                               |
| Dividends received                                        |       | 13,849                              | 16,561                              |
| Interest received                                         |       | 463                                 | 459                                 |
| Interest paid                                             |       | (2,060)                             | (1,758)                             |
| Gains on investments                                      | 10    | (83,832)                            | (39,271)                            |
| Foreign exchange movements                                |       | 969                                 | 1,052                               |
| (Increase)/decrease in prepayments                        |       | (31)                                | 3                                   |
| (Increase) in other debtors                               |       | -                                   | (2)                                 |
| Increase in other creditors                               |       | 21                                  | 31                                  |
| Overseas withholding tax suffered                         | 7     | (658)                               | (1,509)                             |
| <b>Net cash inflow from operating activities</b>          |       | <b>6,726</b>                        | <b>9,403</b>                        |
| Cash flows from investing activities                      |       |                                     |                                     |
| Purchase of investments                                   |       | (277,566)                           | (199,205)                           |
| Sales of investments                                      |       | 311,306                             | 223,289                             |
| Capital gains tax on sales                                |       | (4,321)                             | (4,690)                             |
| <b>Net cash inflow from investing activities</b>          |       | <b>29,419</b>                       | <b>19,394</b>                       |
| Cash flows from financing activities                      |       |                                     |                                     |
| Purchase of own shares for treasury                       |       | (53,601)                            | (7,421)                             |
| Redemption of 2.25% Convertible Unsecured Loan Stock 2025 |       | (5,578)                             | -                                   |
| Drawdown of Loan                                          |       | 35,000                              | -                                   |
| Loan arrangement fees                                     |       | (141)                               | -                                   |
| Equity dividends paid                                     | 8     | (11,047)                            | (13,428)                            |
| <b>Net cash outflow from financing activities</b>         |       | <b>(35,367)</b>                     | <b>(20,849)</b>                     |
| <b>Increase in cash and cash equivalents</b>              |       | <b>778</b>                          | <b>7,948</b>                        |
| Analysis of changes in cash and cash equivalents          |       |                                     |                                     |
| Opening balance                                           |       | 12,703                              | 5,807                               |
| Increase in cash and short term deposits                  |       | 778                                 | 7,948                               |
| Foreign exchange movements                                |       | (969)                               | (1,052)                             |
| <b>Closing balance</b>                                    |       | <b>12,512</b>                       | <b>12,703</b>                       |
| Represented by:                                           |       |                                     |                                     |
| Money market funds                                        |       | 8,721                               | 8,486                               |
| Cash and short term deposits                              |       | 3,791                               | 4,217                               |
|                                                           |       | <b>12,512</b>                       | <b>12,703</b>                       |

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

# Notes to the Financial Statements

For the year ended 31 July 2025

## 1. Principal activity

The Company is a closed-end investment company, registered in England & Wales No 03106339, with its Ordinary shares being listed on the London Stock Exchange.

## 2. Accounting policies

- (a) **Basis of preparation.** The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Companies Act 2006 and the AIC's Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in July 2022. The financial statements are prepared in Sterling which is the functional currency of the Company and rounded to the nearest £'000. 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 by HMRC.

**Going concern.** In accordance with the Financial Reporting Council's guidance the Directors have undertaken a rigorous review of the Company's ability to continue as a going concern. The Company's assets consist of equity shares in companies listed on recognised stock exchanges and are considered by the Board to be realisable within a relatively short timescale under normal market conditions. The Board has set overall limits for borrowing and reviews regularly the Company's level of gearing, cash flow projections and compliance with banking covenants.

The Directors are mindful of the Principal Risks and Uncertainties disclosed in the Strategic Report on pages 19 and 20 of the published Annual Report and financial statements for the year ended 31 July 2025 and they believe that the Company has adequate financial resources to continue its operational existence for a period of 12 months from the date of approval of this Annual Report. They have arrived at this conclusion having confirmed that the Company's diversified portfolio of realisable securities is sufficiently liquid and could be used to meet short-term funding requirements were they to arise, including in potentially less favourable market conditions. The Directors have also reviewed the revenue and ongoing expenses forecasts for the coming year and considered the Company's Statement of Financial Position as at 31 July 2025 which shows net current liabilities of £26.6 million at that date, and do not consider this to be a concern due to the liquidity of the portfolio which would enable the Company to meet any short term liabilities if required. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

The Company introduced a performance-linked conditional tender offer for up to 25% of the issued share capital in 2022. Shareholders will be offered the opportunity to realise a proportion of their holding for cash at a level close to NAV less costs in the event the Company's NAV total return underperforms the benchmark over the five year period measured from 1 August 2021. The latest performance data covering the period since the introduction of the tender offer to 31 July 2025 shows a NAV total return of 37.0% versus the benchmark which has returned 25.9%.

**Significant accounting judgements, estimates and assumptions.** The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. Special dividends are assessed and credited to capital or revenue according to their circumstances and are considered to require significant judgement. The Directors do not consider there to be any significant estimates within the financial statements.

- (b) **Valuation of investments.** The Company has chosen to apply the recognition and measurement provisions of IAS 39 Financial Instruments: Recognition and Measurement and investments have been designated upon initial recognition at fair value through profit or loss. Investments are recognised and de-recognised at trade date where a purchase or sale is under a contract whose terms require delivery within the time frame established by the market concerned, and are initially measured at fair value. Subsequent to initial recognition, investments are measured at fair value. For listed investments, this is deemed to be bid market prices at close of business. Gains and losses arising from changes in fair value and disposals are included as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

- (c) **Borrowings.** Bank loans are initially recognised at cost, being the fair value of the consideration received, net of any issue expenses. Subsequently, they are measured at amortised cost using the effective interest method. Finance charges are accounted for on an accruals basis using the effective interest rate method. The Company charges 25% of finance charges to revenue and 75% to capital.
- (d) **Income.** Dividends, including taxes deducted at source, are included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are reviewed on a case-by-case basis and may be credited to capital, if circumstances dictate. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time apportioned basis so as to reflect the effective yield on shares. Other returns on non-equity shares are recognised when the right to return is established. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves. Interest receivable on bank balances is dealt with on an accruals basis.
- (e) **Expenses.** Expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except as follows:
- expenses directly relating to the acquisition or disposal of an investment, which are charged to the capital column of the Statement of Comprehensive Income and are separately identified and disclosed in note 10; and
  - the Company charges 25% of investment management fees and finance costs to the revenue column and 75% to the capital column of the Statement of Comprehensive Income, in accordance with the Board's expected long term return in the form of revenue and capital gains respectively from the investment portfolio of the Company.
- (f) **Taxation.** The tax expense represents the sum of tax currently payable and deferred tax. Any tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that were applicable at the Statement of Financial Position date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more tax in the future or right to pay less tax in the future have occurred at the Statement of Financial Position date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent periods. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the Statement of Financial Position date.

The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue within the Statement of Comprehensive Income on the same basis as the particular item to which it relates using the Company's effective rate of tax for the year, based on the marginal basis.

Gains and losses on sale of investments purchased and sold in India after 1 April 2017 are liable to capital gains tax in India. At each year end date, a provision for capital gains tax is calculated based upon the Company's realised and unrealised gains and losses. There are two rates of tax: short-term and long-term. The short-term rate of tax is applicable to investments held for less than 12 months and the long-term rate of tax is applicable to investments held for more than twelve months. The provision is recognised in the Statement of Financial Position and the year-on-year movement in the provision is recognised in the Statement of Comprehensive Income.

(g) **Foreign currency.** Assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the Statement of Financial Position date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on dividends receivable are recognised in the Statement of Comprehensive Income and are reflected in the revenue reserve. Gains and losses on the realisation of investments in foreign currencies and unrealised gains and losses on investments in foreign currencies are recognised in the Statement of Comprehensive Income and are then transferred to the capital reserve.

(h) **Convertible Unsecured Loan Stock.** Convertible Unsecured Loan Stock ("CULS") issued by the Company were regarded as a compound instrument, comprising of a liability component and an equity component. At the date of issue, the fair value of the liability component of the 2.25% CULS 2025 was estimated by assuming that an equivalent non-convertible obligation of the Company would have an effective interest rate of 3.063%. The fair value of the equity component, representing the option to convert liability into equity, was derived from the difference between the issue proceeds of the CULS and the fair value assigned to the liability. The liability component was subsequently measured at amortised cost using the effective interest rate and the equity component remained unchanged.

Direct expenses associated with the CULS issue were allocated to the liability and equity components in proportion to the split of the proceeds of the issue. Expenses allocated to the liability component were amortised over the life of the instrument using the effective interest rate.

On conversion of CULS, equity was issued and the liability component was derecognised. The original equity component recognised at inception remained in equity. No gain or loss was recognised on conversion.

On maturity of the remaining CULS on 31 May 2025, equity was issued and the liability component was derecognised. The original equity component recognised at inception was removed from equity. All gains and losses were recognised on maturity.

(i) **Cash and cash equivalents.** Cash comprises cash in hand and short term deposits. Cash equivalents includes bank overdrafts repayable on demand and short term, highly liquid investments, that are readily convertible to known amounts of cash and that are subject to an insignificant risk of change in value.

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

**Capital redemption reserve.** The capital redemption reserve arose when Ordinary shares were redeemed and cancelled, at which point an amount equal to the par value of the Ordinary share capital was transferred from the share capital account to the capital redemption reserve. This is not a distributable reserve.

**Share premium account.** The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 5p (2024 – 5p). This is not a distributable reserve.

**Capital reserve.** This reserve reflects any gains or losses on investments realised in the period along with any movement in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. These include gains and losses from foreign currency exchange differences arising on monetary assets and liabilities except for dividend income receivable. Share buybacks to be held in treasury, which is considered to be a distribution to shareholders, is also deducted from this reserve. The realised gains part of this reserve is also distributable for the purpose of funding dividends.

**Revenue reserve.** This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve is distributable by way of dividend. The amount of the revenue reserve as at 31 July 2025 may not be available at the time of any future distribution due to movements between 31 July 2025 and the date of distribution.

(k) **Treasury shares.** When the Company purchases the Company's equity share capital as treasury shares, the amount of the consideration paid, which includes directly attributable costs is recognised as a deduction from equity. When these shares are sold or reissued subsequently, the amount received is recognised as an increase in equity, and the resulting surplus or deficit on the transaction is transferred to or from the capital reserve.

(l) **Dividends payable.** Final dividends are recognised in the financial statements in the period in which Shareholders approve them.

(m) **Segmental reporting.** The Directors are of the opinion that the Company is engaged in a single segment of business

activity, being investment business. Consequently, no business segmental analysis is provided however an analysis of the geographic exposure of the Company's investments is provided on page 33 of the published Annual Report and financial statements for the year ended 31 July 2025.

### 3. Income

|                                  | 2025<br>£'000 | 2024<br>£'000 |
|----------------------------------|---------------|---------------|
| <b>Income from investments</b>   |               |               |
| Overseas dividends               | 14,012        | 16,007        |
| UK dividend income               | 702           | 795           |
| Stock dividends                  | 1             | -             |
|                                  | 14,715        | 16,802        |
| <b>Other income</b>              |               |               |
| Deposit interest                 | 69            | 150           |
| Interest from money market funds | 419           | 320           |
|                                  | 488           | 470           |
| <b>Total income</b>              | 15,203        | 17,272        |

### 4. Investment management fees

|                            | 2025             |                  |                | 2024             |                  |                |
|----------------------------|------------------|------------------|----------------|------------------|------------------|----------------|
|                            | Revenue<br>£'000 | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000 | Capital<br>£'000 | Total<br>£'000 |
| Investment management fees | 819              | 2,457            | 3,276          | 769              | 2,307            | 3,076          |

The Company has an agreement with abrdn Fund Managers Limited ("aFML") for the provision of management services, under which investment management services have been delegated to abrdn Asia Limited ("abrdn Asia").

The management fee is payable monthly in arrears, on a tiered basis, exclusive of VAT where applicable, based on market capitalisation at an annual rate of 0.85% for the first £250 million, 0.6% for the next £500 million and 0.5% thereafter. Market capitalisation is defined as the Company's closing Ordinary share price quoted on the London Stock Exchange multiplied by the number of Ordinary shares in issue (excluding those held in Treasury), as determined on the last business day of the calendar month to which the remuneration relates. The balance due to the Manager at the year end was £595,000 (2024 – £534,000) which represents two months' fees (2024 – two months).

The management agreement may be terminated by either the Company or the Manager on the expiry of three months' written notice. On termination, the Manager would be entitled to receive fees which would otherwise have been due to that date.

## 5. Administrative expenses

|                                                                                 | 2025<br>£'000 | 2024<br>£'000 |
|---------------------------------------------------------------------------------|---------------|---------------|
| Administration fees <sup>A</sup>                                                | 130           | 119           |
| Directors' fees <sup>B</sup>                                                    | 209           | 173           |
| Promotional activities <sup>C</sup>                                             | 238           | 210           |
| Auditors' remuneration <sup>D</sup>                                             |               |               |
| – fees payable to the auditors for the audit of the annual financial statements | 60            | 52            |
| Custodian charges                                                               | 393           | 364           |
| Depositary fees                                                                 | 51            | 49            |
| Registrar fees                                                                  | 79            | 43            |
| Legal and professional fees                                                     | 173           | 57            |
| Other expenses                                                                  | 172           | 239           |
|                                                                                 | <b>1,505</b>  | <b>1,306</b>  |

<sup>A</sup> The Company has an agreement with aFML for the provision of administration services. The administration fee is payable quarterly in advance and is adjusted annually to reflect the movement in the Retail Prices Index. The balance due to aFML at the year end was £32,000 (2024 – £60,000). The agreement is terminable on six months' notice.

<sup>B</sup> No pension contributions were made in respect of any of the Directors.

<sup>C</sup> Under the management agreement, the Company has also appointed aFML to provide promotional activities to the Company by way of its participation in the Aberdeen Investment Trust Share Plan and ISA. aFML has delegated this role to Aberdeen Group plc. The total fee paid and payable under the agreement in relation to promotional activities was £238,000 (2024 – £210,000). There was a £82,000 (2024 – £173,000) balance due to Aberdeen Group plc at the year end.

<sup>D</sup> There are no non-audit fees charged.

## 6. Finance costs

|                                                   | 2025             |                  |                | 2024             |                  |                |
|---------------------------------------------------|------------------|------------------|----------------|------------------|------------------|----------------|
|                                                   | Revenue<br>£'000 | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000 | Capital<br>£'000 | Total<br>£'000 |
| Interest on Bank Overdraft                        | 4                | 13               | 17             | 5                | 15               | 20             |
| Interest on Bank Loans                            | 87               | 262              | 349            | -                | -                | -              |
| Interest on 3.05% Senior Unsecured Loan Note 2035 | 231              | 692              | 923            | 231              | 692              | 923            |
| Interest on 2.25% CULS 2025                       | 169              | 508              | 677            | 203              | 611              | 814            |
| Notional interest on 2.25% CULS 2025              | 32               | 96               | 128            | 39               | 115              | 154            |
| Amortisation of 2.25% CULS 2025 issue expenses    | 20               | 59               | 79             | 23               | 71               | 94             |
|                                                   | 543              | 1,630            | 2,173          | 501              | 1,504            | 2,005          |

Finance costs have been charged 25% to revenue and 75% to capital.

## 7. Taxation

|                                              | 2025             |                  |                | 2024             |                  |                |
|----------------------------------------------|------------------|------------------|----------------|------------------|------------------|----------------|
|                                              | Revenue<br>£'000 | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000 | Capital<br>£'000 | Total<br>£'000 |
| <b>(a) Analysis of charge for the year</b>   |                  |                  |                |                  |                  |                |
| Indian capital gains tax charge on sales     | -                | 4,321            | 4,321          | -                | 4,690            | 4,690          |
| Overseas taxation                            | 1,235            | -                | 1,235          | 1,407            | -                | 1,407          |
| <b>Total current tax charge for the year</b> | 1,235            | 4,321            | 5,556          | 1,407            | 4,690            | 6,097          |
| Deferred tax charge on Indian capital gains  | -                | (4,456)          | (4,456)        | -                | 5,682            | 5,682          |
| <b>Total tax charge for the year</b>         | 1,235            | (135)            | 1,100          | 1,407            | 10,372           | 11,779         |

The Company has recognised a deferred tax liability of £5,835,000 (2024 - £10,291,000) on capital gains which may arise if Indian investments are sold. The Company has not provided for UK deferred tax on any realised and unrealised gains or losses of investments as it is exempt from UK tax on these items due to its status as an investment trust company.

At 31 July 2025 the Company had surplus management expenses and loan relationship deficits of £88,979,000 (2024 - £82,534,000) in respect of which a deferred tax asset has not been recognised. This is due to the Company having sufficient excess management expenses available to cover the potential liability and the Company is not expected to generate taxable income in the future in excess of deductible expenses. The Finance Act 2021 received Royal Assent on 10 June 2021 and the rate of Corporation Tax of 25% effective from 1 April 2023 has been used to calculate the potential deferred tax asset of £22,245,000 (2024 - £20,634,000).

**(b) Factors affecting the tax charge for the year.** The tax assessed for the year is lower than the current standard rate of corporation tax in the UK for a large company of 25% (2024 – lower). The differences are explained below:

|                                                                                   | 2025             |                  |                | 2024             |                  |                |
|-----------------------------------------------------------------------------------|------------------|------------------|----------------|------------------|------------------|----------------|
|                                                                                   | Revenue<br>£'000 | Capital<br>£'000 | Total<br>£'000 | Revenue<br>£'000 | Capital<br>£'000 | Total<br>£'000 |
| Return before taxation                                                            | 12,336           | 78,699           | 91,035         | 14,696           | 34,408           | 49,104         |
| Return multiplied by the standard tax rate of corporation tax of 25% (2024 – 25%) | 3,084            | 19,675           | 22,759         | 3,674            | 8,602            | 12,276         |
| Effects of:                                                                       |                  |                  |                |                  |                  |                |
| Gains on investments not taxable                                                  | -                | (20,958)         | (20,958)       | -                | (9,818)          | (9,818)        |
| Exchange losses                                                                   | -                | 242              | 242            | -                | 263              | 263            |
| Overseas tax                                                                      | 1,235            | -                | 1,235          | 1,407            | -                | 1,407          |
| Movement in deferred tax liability on Indian capital gains                        | -                | (4,456)          | (4,456)        | -                | 5,682            | 5,682          |
| Indian capital gains tax charged on sales                                         | -                | 4,321            | 4,321          | -                | 4,690            | 4,690          |
| UK dividend income                                                                | (176)            | -                | (176)          | (199)            | -                | (199)          |
| Non-taxable dividend income                                                       | (3,503)          | -                | (3,503)        | (4,002)          | -                | (4,002)        |
| Expenses not deductible for tax purposes                                          | 5                | 19               | 24             | 9                | -                | 9              |
| Movement in unutilised management expenses                                        | 712              | 614              | 1,326          | 634              | 577              | 1,211          |
| Movement in unutilised loan relationship deficits                                 | (122)            | 408              | 286            | (116)            | 376              | 260            |
| <b>Total tax charge for the year</b>                                              | <b>1,235</b>     | <b>(135)</b>     | <b>1,100</b>   | <b>1,407</b>     | <b>10,372</b>    | <b>11,779</b>  |

## 8. Dividends

|                                                         | 2025<br>£'000 | 2024<br>£'000 |
|---------------------------------------------------------|---------------|---------------|
| Fourth interim dividend for 2024 – 1.62p (2023 – 1.61p) | 2,488         | 2,515         |
| Special dividend for 2024 – 1.00p (2023 – 2.25p)        | 1,511         | 3,498         |
| First interim dividend for 2025 – 1.6p (2024 – 1.6p)    | 2,417         | 2,488         |
| Second interim dividend for 2025 – 1.6p (2024 – 1.6p)   | 2,395         | 2,466         |
| Third interim dividend for 2025 – 1.6p (2024 – 1.6p)    | 2,236         | 2,461         |
|                                                         | <b>11,047</b> | <b>13,428</b> |

Dividends declared and paid subsequent to the year end are not included as a liability in the financial statements.

We set out below the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158 – 1159 of the Corporation Tax Act 2010 are considered. The revenue available for distribution by way of dividend for the current year is £11,101,000 (2024 – £13,289,000).

|                                                      | 2025<br>£'000 | 2024<br>£'000 |
|------------------------------------------------------|---------------|---------------|
| First interim dividend for 2025 – 1.6p (2024 – 1.6p) | 2,417         | 2,488         |

|                                                         |       |        |
|---------------------------------------------------------|-------|--------|
| Second interim dividend for 2025 – 1.6p (2024 – 1.6p)   | 2,395 | 2,466  |
| Third interim dividend for 2025 – 1.6p (2024 – 1.6p)    | 2,236 | 2,461  |
| Fourth interim dividend for 2025 – 1.63p (2024 – 1.62p) | 2,372 | 2,488  |
| Proposed special dividend for 2025 – nil (2024 –1.00p)  | -     | 1,511  |
|                                                         | 9,420 | 11,414 |

## 9. Return per share

|                                                         | 2025    |         |             | 2024    |         |             |
|---------------------------------------------------------|---------|---------|-------------|---------|---------|-------------|
|                                                         | Revenue | Capital | Total       | Revenue | Capital | Total       |
| <b>Basic</b>                                            |         |         |             |         |         |             |
| Net return after taxation (£'000)                       | 11,101  | 78,834  | 89,935      | 13,289  | 24,036  | 37,325      |
| Weighted average number of shares in issue <sup>A</sup> |         |         | 149,238,494 |         |         | 154,769,839 |
| Return per share (p)                                    | 7.44    | 52.82   | 60.26       | 8.59    | 15.53   | 24.12       |

|                                                          | 2025    |         |             | 2024    |         |             |
|----------------------------------------------------------|---------|---------|-------------|---------|---------|-------------|
|                                                          | Revenue | Capital | Total       | Revenue | Capital | Total       |
| <b>Diluted</b>                                           |         |         |             |         |         |             |
| Net return after taxation (£'000)                        | 11,302  | 79,438  | 90,740      | 13,511  | 24,704  | 38,215      |
| Weighted average number of shares in issue <sup>AB</sup> |         |         | 157,863,004 |         |         | 167,264,923 |
| Return per share (p)                                     | 7.16    | 50.32   | 57.48       | 8.08    | 14.77   | 22.85       |

<sup>A</sup> Calculated excluding shares held in treasury.

<sup>B</sup> 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") pro-rated for the period in which the CULS were active. The calculations indicate that the exercise of CULS would result in an increase in the weighted average number of Ordinary shares of 8,624,510 (2024 – 12,495,085) to 157,863,004 (2024 – 167,264,923) Ordinary shares.

For the year ended 31 July 2025 the assumed conversion for potential Ordinary shares was dilutive to the revenue and the capital return per Ordinary share (2024 – dilutive to the revenue return and the capital return). Where dilution occurs, the net returns are adjusted for interest charges and issue expenses relating to the CULS (2025 – £805,000; 2024 – £890,000). Total earnings for the period are tested for dilution. Once dilution has been determined individual revenue and capital earnings are adjusted.

## 10. Investments at fair value through profit or loss

|                                                       | 2025<br>£'000  | 2024<br>£'000  |
|-------------------------------------------------------|----------------|----------------|
| Opening book cost                                     | 407,225        | 397,237        |
| Opening investment holding gains                      | 157,572        | 152,435        |
| Opening fair value                                    | 564,797        | 549,672        |
| <b>Analysis of transactions made during the year</b>  |                |                |
| Purchases at cost                                     | 285,202        | 200,360        |
| Sales proceeds received                               | (312,880)      | (224,506)      |
| Gains on investments                                  | 83,832         | 39,271         |
| <b>Closing fair value</b>                             | <b>620,951</b> | <b>564,797</b> |
| Closing book cost                                     | 451,432        | 407,225        |
| Closing investment gains                              | 169,519        | 157,572        |
| <b>Closing fair value</b>                             | <b>620,951</b> | <b>564,797</b> |
|                                                       |                |                |
|                                                       | 2025<br>£'000  | 2024<br>£'000  |
| Investments listed on an overseas investment exchange | 606,704        | 550,046        |
| Investments listed on the UK investment exchange      | 14,247         | 14,751         |
|                                                       | <b>620,951</b> | <b>564,797</b> |

The Company received £312,880,000 (2024 – £224,506,000) from investments sold in the period. The book cost of these investments when they were purchased was £240,995,000 (2024 – £190,372,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

**Transaction costs.** During the year 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 Statement of Comprehensive Income. The total costs were as follows:

|           | 2025<br>£'000 | 2024<br>£'000 |
|-----------|---------------|---------------|
| Purchases | 290           | 257           |
| Sales     | 625           | 446           |
|           | 915           | 703           |

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

## 11. Debtors: amounts falling due within one year

|                                    | 2025<br>£'000 | 2024<br>£'000 |
|------------------------------------|---------------|---------------|
| Amounts due from brokers for sales | 4,134         | 2,560         |
| Other debtors                      | 477           | 897           |
| Prepayments and accrued income     | 1,117         | 351           |
|                                    | 5,728         | 3,808         |

None of the above amounts is past their due date or impaired (2024 – same).

## 12. Creditors: amounts falling due within one year

| (a) Other creditors                                    | 2025<br>£'000 | 2024<br>£'000 |
|--------------------------------------------------------|---------------|---------------|
| Amounts due to brokers for purchases                   | 8,791         | 1,155         |
| Amounts due for the purchase of own shares to treasury | -             | 56            |
| Other creditors                                        | 1,188         | 1,272         |
|                                                        | 9,979         | 2,483         |
|                                                        |               |               |
| (b) Bank Loan                                          | 2025<br>£'000 | 2024<br>£'000 |
| Bank Loan                                              | 35,000        | -             |
| Unamortised Bank Loan issue expenses                   | (129)         | -             |
|                                                        | 34,871        | -             |

On 30 May 2025 the Company entered into a two year, £50 million multi-currency revolving bank credit facility with the Bank of Nova Scotia, London Branch. The agreement of this facility incurred costs of £140,000 which will be amortised over the life of the agreement.

At 31 July 2025, the Company had drawn down £35 million at a rate of 5.41% with a maturity date of 28 August 2025.

|     |                                                          | 2025                        |                                 |                              | 2024                        |                                 |                              |
|-----|----------------------------------------------------------|-----------------------------|---------------------------------|------------------------------|-----------------------------|---------------------------------|------------------------------|
|     |                                                          | Number of<br>units<br>£'000 | Liability<br>component<br>£'000 | Equity<br>component<br>£'000 | Number of<br>units<br>£'000 | Liability<br>component<br>£'000 | Equity<br>component<br>£'000 |
| (c) | <b>2.25% CULS 2025</b>                                   |                             |                                 |                              |                             |                                 |                              |
|     | Balance at beginning of year                             | 36,574                      | 36,368                          | 1,057                        | 36,629                      | 36,175                          | 1,057                        |
|     | Conversion of 2.25% CULS 2025                            | (30,996)                    | (30,996)                        | -                            | (55)                        | (55)                            | -                            |
|     | Redemption of 2.25% CULS 2025                            | (5,578)                     | (5,578)                         | (1,057)                      | -                           | -                               | -                            |
|     | Notional interest on CULS transferred to revenue reserve | -                           | 128                             | -                            | -                           | 154                             | -                            |
|     | Amortisation and issue expenses                          | -                           | 78                              | -                            | -                           | 94                              | -                            |
|     | <b>Balance at end of year</b>                            | -                           | -                               | -                            | 36,574                      | 36,368                          | 1,057                        |

As at 31 July 2025, there were £nil (2024 – £36,574,720) nominal amount of 2.25% CULS 2025 in issue. The loan stock was previously converted at the election of holders into Ordinary shares during the months of May and November each year throughout their life, commencing 30 November 2018 to 31 May 2025 at a rate of 1 Ordinary share for every 293.0p (2024 – 293.0p) nominal of CULS. Interest was payable on the CULS on 31 May and 30 November each year, commencing on 30 November 2018.

The CULS were constituted as an unsecured subordinated obligation of the Company by the Trust Deed between the Company and the Trustee, the Law Debenture Trust Corporation p.l.c., dated 23 May 2018. The Trust Deed detailed the 2025 CULS holders' rights and the Company's obligations to the CULS holders and the Trustee oversees the operation of the Trust Deed. 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.

On 13 December 2024, the Company received elections from CULS holders to convert £46,704 nominal amount of CULS into 15,937 Ordinary shares. On or before 31 May 2025, being the final conversion date for CULS holders to elect to convert to Ordinary shares, the Company converted £30,949,618 (£19,749,216 by holders' request and £11,200,402 by request from the Trustee) nominal amount of CULS into 10,562,933 Ordinary shares (in the year ended 31 July 2024, £54,939 nominal amount of CULS was converted into 18,740 Ordinary shares). Additionally, on 31 May 2025, £5,578,398 nominal amount of CULS was redeemed by the Trustee following requests from CULS holders who did not wish to exercise their conversion right.

The fair value of the 2025 CULS at 31 July 2024 was £35,441,000.

### 13. Non-current liabilities

|                                       | 2025<br>£'000 | 2024<br>£'000 |
|---------------------------------------|---------------|---------------|
| (a) <b>Loan Note</b>                  |               |               |
| 3.05% Senior Unsecured Loan Note 2035 | 30,000        | 30,000        |
| Unamortised Loan Note issue expenses  | (87)          | (94)          |
|                                       | <b>29,913</b> | <b>29,906</b> |

On 1 December 2020 the Company issued £30,000,000 of a 15 year 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 £118,000 will be amortised over the life of the loan note. There is also a shelf facility of £35,000,000, which expires on 1 December 2025 and has not been utilised. The shelf facility is uncommitted and subject to credit committee approval in advance of any drawing. 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 July 2025 was £26,829,000 (2024 – £27,112,000), the value being based on a comparable quoted debt security.

|                                                                 | 2025<br>£'000 | 2024<br>£'000 |
|-----------------------------------------------------------------|---------------|---------------|
| (b) Deferred tax liability on Indian capital gains (see note 7) | 5,835         | 10,291        |

### 14. Called up share capital

|                                           | 2025<br>£'000 | 2024<br>£'000 |
|-------------------------------------------|---------------|---------------|
| <b>Allotted, called-up and fully paid</b> |               |               |
| Ordinary shares of 5p                     | 7,317         | 7,681         |
| Treasury shares                           | 3,648         | 2,755         |
|                                           | <b>10,965</b> | <b>10,436</b> |

|                        | Ordinary<br>shares<br>Number | Treasury<br>shares<br>Number | Total<br>shares<br>Number |
|------------------------|------------------------------|------------------------------|---------------------------|
| At 31 July 2024        | 153,626,718                  | 55,094,590                   | 208,721,308               |
| Conversion of CULS     | 10,578,870                   | –                            | 10,578,870                |
| Buyback of own shares  | (17,870,000)                 | 17,870,000                   | –                         |
| <b>At 31 July 2025</b> | <b>146,335,588</b>           | <b>72,964,590</b>            | <b>219,300,178</b>        |

During the year 17,870,000 Ordinary shares of 5p were purchased (2024 – 2,850,000 Ordinary shares of 5p were purchased) by the Company at a total cost of £53,551,000 (2024 – total cost of £7,476,000), all of which were held in treasury. At the year end 72,964,590 (2024 – 55,094,590) shares were held in treasury, which represents 33.27% (2024 – 26.40%) of the Company's total issued share capital at 31 July 2025. During the year there were a further 10,578,870 (2024 – 18,740) Ordinary shares issued as a result of CULS conversions.

Since the year end the Company bought back for treasury a further 3,245,000 Ordinary shares for a total consideration of

£11,580,000.

## 15. Reserves

|                                                        | 2025<br>£'000  | 2024<br>£'000  |
|--------------------------------------------------------|----------------|----------------|
| <b>Capital reserve</b>                                 |                |                |
| At 31 July 2024                                        | 409,798        | 393,238        |
| Movement in investment holdings fair value             | 11,947         | 5,137          |
| Gains on realisation of investments at fair value      | 71,885         | 34,134         |
| Purchase of own shares to treasury                     | (53,551)       | (7,476)        |
| Movement in deferred liability on Indian capital gains | 4,456          | (5,682)        |
| Capital gains tax on sales                             | (4,321)        | (4,690)        |
| Foreign exchange movement                              | (969)          | (1,052)        |
| Capital expenses                                       | (4,164)        | (3,811)        |
| <b>At 31 July 2025</b>                                 | <b>435,081</b> | <b>409,798</b> |

The capital reserve includes investment holding gains amounting to £169,519,000 (2024 – £157,572,000) as disclosed in note 10. The above split in capital reserve is shown in accordance with provisions of the Statement of Recommended Practice 'Financial Statements Of Investment Trust Companies and Venture Capital Trusts'.

## 16. Net asset value per share

|                                        | 2025         | 2024         |
|----------------------------------------|--------------|--------------|
| <b>Basic</b>                           |              |              |
| Net assets attributable                | £558,593,000 | £502,260,000 |
| Number of shares in issue <sup>A</sup> | 146,335,588  | 153,626,718  |
| Net asset value per share              | 381.72p      | 326.94p      |

|                                        | 2025                | 2024         |
|----------------------------------------|---------------------|--------------|
| <b>Diluted</b>                         |                     |              |
| Net assets attributable                | <b>£558,593,000</b> | £538,628,000 |
| Number of shares in issue <sup>A</sup> | <b>146,335,588</b>  | 166,109,558  |
| Net asset value per share <sup>B</sup> | <b>381.72p</b>      | 324.26p      |

<sup>A</sup> Calculated excluding shares held in treasury.

<sup>B</sup> The 2024 diluted net asset value per share has been calculated on the assumption that £36,574,720 2.25% Convertible Unsecured Loan Stock 2025 ("CULS") was converted at 293.0p per share, giving a total of 166,109,558 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 financial instruments are deemed to be "in the money" if the cum income net asset value ("NAV") exceeds the conversion price of 293.0p (2024 – 293.0p) per share. In such circumstances a net asset value is produced and disclosed assuming the convertible debt is fully converted. At 31 July 2024 the cum income NAV was 326.94p and thus the CULS were 'in the money'.

## 17. Analysis of changes in net debt

|                                   | At<br>31 July<br>2024<br>£'000 | Currency<br>differences<br>£'000 | Cash<br>flows<br>£'000 | Non-cash<br>movements<br>£'000 | At<br>31 July<br>2025<br>£'000 |
|-----------------------------------|--------------------------------|----------------------------------|------------------------|--------------------------------|--------------------------------|
| Cash and short term deposits      | 12,703                         | (969)                            | 778                    | -                              | 12,512                         |
| Debt due within one year          | (36,368)                       | -                                | (29,281)               | 30,778                         | (34,871)                       |
| Debt due after more than one year | (40,197)                       | -                                | -                      | 4,449                          | (35,748)                       |
|                                   | (63,862)                       | (969)                            | (28,503)               | 35,227                         | (58,107)                       |

|                                   | At<br>31 July<br>2023<br>£'000 | Currency<br>differences<br>£'000 | Cash<br>flows<br>£'000 | Non-cash<br>movements<br>£'000 | At<br>31 July<br>2024<br>£'000 |
|-----------------------------------|--------------------------------|----------------------------------|------------------------|--------------------------------|--------------------------------|
| Cash and short term deposits      | 5,807                          | (1,052)                          | 7,948                  | -                              | 12,703                         |
| Debt due within one year          | -                              | -                                | -                      | (36,368)                       | (36,368)                       |
| Debt due after more than one year | (70,682)                       | -                                | -                      | 30,485                         | (40,197)                       |
|                                   | (64,875)                       | (1,052)                          | 7,948                  | (5,883)                        | (63,862)                       |

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.

## 18. Related party transactions and transactions with the Manager

Fees payable during the year to the Directors and their interests in shares of the Company are considered to be related party transactions and are disclosed within the Directors' Remuneration Report on page 55 of the published Annual Report and financial statements for the year ended 31 July 2025. The balance of fees due to Directors at the year end was £nil (2024 – £nil).

The Company's Investment Manager, abrdn Asia, is a wholly-owned subsidiary of Aberdeen Group plc, which has been delegated, under an agreement with aFML, to provide management services to the Company, the terms of which are outlined in notes 4 and 5 along with details of transactions during the year and balances outstanding at the year end.

## 19. Financial instruments

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

The Board has delegated the risk management function to aFML under the terms of its management agreement with aFML (further details of which are included under note 4 and in the Directors' Report) however, it remains responsible for the risk and control framework and operation of third parties. The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors.

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

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

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

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

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

**Risk management.** The main risks the Company faces from these financial instruments are (i) market risk (comprising interest rate, foreign currency and other price risk), (ii) liquidity risk and (iii) credit risk.

**Market risk.** The fair value of or future cash flows from a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements – interest rate risk, currency risk and other price risk.

**Interest rate risk.** Interest rate movements may affect:

- the level of income receivable on cash deposits;
- valuation of debt securities in the portfolio.

**Management of the risk.** The possible effects on fair value and cash flows that could arise as a result of changes in interest rates are taken into account when making investment and borrowing decisions. When drawn down, interest rates are fixed on borrowings.

**Interest rate risk profile.** The interest rate risk profile of the Company's financial assets and liabilities, excluding equity holdings which are all non-interest bearing, at the reporting date was as follows:

| At 31 July 2025                       | Weighted average<br>period for which<br>rate is fixed<br>Years | Weighted<br>average<br>interest rate<br>% | Fixed<br>rate<br>£'000 | Floating<br>rate<br>£'000 |
|---------------------------------------|----------------------------------------------------------------|-------------------------------------------|------------------------|---------------------------|
| <b>Assets</b>                         |                                                                |                                           |                        |                           |
| Sterling                              | -                                                              | -                                         | -                      | 9,761                     |
| Vietnam Dong                          | -                                                              | -                                         | -                      | 1,658                     |
| Chinese Renminbi                      | -                                                              | -                                         | -                      | 959                       |
| New Taiwan Dollar                     | -                                                              | -                                         | -                      | 124                       |
| Indian Rupee                          | -                                                              | -                                         | -                      | 10                        |
|                                       | -                                                              | -                                         | -                      | 12,512                    |
| <b>Liabilities</b>                    |                                                                |                                           |                        |                           |
| Bank loan                             | 0.08                                                           | 5.4                                       | -                      | 34,871                    |
| 3.05% Senior Unsecured Loan Note 2035 | 10.34                                                          | 3.1                                       | 29,913                 | -                         |
|                                       | -                                                              | -                                         | 29,913                 | 34,871                    |

| At 31 July 2024                             | Weighted average<br>period for which<br>rate is fixed<br>Years | Weighted<br>average<br>interest rate<br>% | Fixed<br>rate<br>£'000 | Floating<br>rate<br>£'000 |
|---------------------------------------------|----------------------------------------------------------------|-------------------------------------------|------------------------|---------------------------|
| <b>Assets</b>                               |                                                                |                                           |                        |                           |
| Sterling                                    | -                                                              | -                                         | -                      | 11,295                    |
| Chinese Renminbi                            | -                                                              | -                                         | -                      | 985                       |
| Vietnam Dong                                | -                                                              | -                                         | -                      | 247                       |
| New Taiwan Dollar                           |                                                                |                                           |                        | 155                       |
| Indian Rupee                                | -                                                              | -                                         | -                      | 20                        |
| US Dollar                                   | -                                                              | -                                         | -                      | 1                         |
|                                             | -                                                              | -                                         | -                      | 12,703                    |
| <b>Liabilities</b>                          |                                                                |                                           |                        |                           |
| 2.25% Convertible Unsecured Loan Stock 2025 | 0.83                                                           | 2.3                                       | 36,368                 | -                         |
| 3.05% Senior Unsecured Loan Note 2035       | 11.34                                                          | 3.1                                       | 29,906                 | -                         |
|                                             | -                                                              | -                                         | 66,274                 | -                         |

The weighted average interest rate is based on the current yield of each asset or liability, weighted by its market value.

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

The Company's equity portfolio and short term debtors and creditors have been excluded from the above tables.

**Interest rate sensitivity.** Movements in interest rates would not significantly affect net assets attributable to the Company's shareholders and total return.

**Foreign currency risk.** Most of the Company's investment portfolio is invested in overseas securities and the Statement of Financial Position, therefore, can be significantly affected by movements in foreign exchange rates.

**Management of the risk.** It is not the Company's policy to hedge this risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings.

The revenue account is subject to currency fluctuations arising on dividends receivable in foreign currencies and, indirectly, due to the impact of foreign exchange rates upon the profits of investee companies. It is not the Company's policy to hedge this currency risk but the Board keeps under review the currency returns in both capital and income.

Foreign currency risk exposure by currency of denomination:

|                    | 31 July 2025                     |                                                   |                                        | 31 July 2024                     |                                                   |                                        |
|--------------------|----------------------------------|---------------------------------------------------|----------------------------------------|----------------------------------|---------------------------------------------------|----------------------------------------|
|                    | Overseas<br>investments<br>£'000 | Net monetary<br>assets/<br>(liabilities)<br>£'000 | Total<br>currency<br>exposure<br>£'000 | Overseas<br>Investments<br>£'000 | Net monetary<br>assets/<br>(liabilities)<br>£'000 | Total<br>currency<br>exposure<br>£'000 |
| Chinese Renminbi   | 28,449                           | 959                                               | 29,408                                 | 23,653                           | 985                                               | 24,638                                 |
| Hong Kong Dollar   | 66,610                           | -                                                 | 66,610                                 | 45,564                           | -                                                 | 45,564                                 |
| Indian Rupee       | 156,251                          | 10                                                | 156,261                                | 159,012                          | 20                                                | 159,032                                |
| Indonesian Rupiah  | 30,313                           | -                                                 | 30,313                                 | 53,552                           | -                                                 | 53,552                                 |
| Korean Won         | 82,661                           | -                                                 | 82,661                                 | 53,366                           | -                                                 | 53,366                                 |
| Malaysian Ringgit  | 10,704                           | -                                                 | 10,704                                 | 18,784                           | -                                                 | 18,784                                 |
| New Taiwan Dollar  | 112,470                          | 124                                               | 112,594                                | 81,434                           | 155                                               | 81,589                                 |
| New Zealand Dollar | -                                | -                                                 | -                                      | 6,727                            | -                                                 | 6,727                                  |
| Philippine Peso    | 28,666                           | -                                                 | 28,666                                 | 19,012                           | -                                                 | 19,012                                 |
| Singapore Dollar   | 17,828                           | -                                                 | 17,828                                 | 2,290                            | -                                                 | 2,290                                  |
| Sri Lankan Rupee   | 12,573                           | -                                                 | 12,573                                 | 13,801                           | -                                                 | 13,801                                 |
| Thailand Baht      | 12,104                           | -                                                 | 12,104                                 | 22,347                           | -                                                 | 22,347                                 |
| US Dollar          | 17,158                           | -                                                 | 17,158                                 | 10,073                           | 1                                                 | 10,074                                 |
| Vietnamese Dong    | 30,917                           | 1,658                                             | 32,575                                 | 40,431                           | 247                                               | 40,678                                 |
|                    | 606,704                          | 2,751                                             | 609,455                                | 550,046                          | 1,408                                             | 551,454                                |
| Sterling           | 14,247                           | (20,152)                                          | (5,905)                                | 14,751                           | (54,979)                                          | (40,228)                               |
| <b>Total</b>       | <b>620,951</b>                   | <b>(17,401)</b>                                   | <b>603,550</b>                         | <b>564,797</b>                   | <b>(53,571)</b>                                   | <b>511,226</b>                         |

**Foreign currency sensitivity.** The Company's foreign currency financial instruments are in the form of equity investments, fixed interest investments, cash and bank loans. The sensitivity of the former has been included within other price risk sensitivity analysis so as to show the overall level of exposure. Due consideration is paid to foreign currency risk throughout the investment process.

**Other price risk.** Other price risks (ie changes in market prices other than those arising from interest rate or currency risk) may affect the value of the quoted investments.

Investment in Far East equities or those of companies that derive significant revenue or profit from the Far East involves a greater degree of risk than that usually associated with investment in the securities in major securities markets. The securities that the Company owns may be considered speculative because of this higher degree of risk. It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. Both the allocation of assets and the stock selection process, as detailed on pages 100 and 101 of the published Annual Report and financial statements for the year ended 31 July 2025, act to reduce market risk. The Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to review investment strategy. The investments held by the Company are listed on various stock exchanges worldwide.

**Other price risk sensitivity.** If market prices at the reporting date had been 20% (2024 – 20%) higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 July 2025 would have increased/(decreased) by £124,190,000 (2024 – increased/(decreased) by £112,959,000) and equity reserves would have increased/(decreased) by the same amount.

**Liquidity risk.** This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities.

**Management of the risk.** The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Gearing comprises both senior unsecured loan notes, bank loans and convertible unsecured loan stock. The Board has imposed a maximum gearing level, measured on the most stringent basis of calculation after netting off cash equivalents, of 25%. Details of borrowings at the 31 July 2025 are shown in notes 12 & 13.

Liquidity risk is not considered to be significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments if necessary. Details of the Board's policy on gearing are shown in the investment policy section on page 15 of the published Annual Report and financial statements for the year ended 31 July 2025.

**Liquidity risk exposure.** At 31 July 2025 the Company had borrowings of £29,913,000 (2024 – £29,906,000) in the form of the 3.05% Senior Unsecured Loan Note 2035 and £34,871,000 (2024 – nil) in the form of a short term bank loan. The 2.25% Convertible Unsecured Loan Stock 2025 was redeemed during the year (2024 – £36,368,000).

At 31 July 2025 the amortised cost of the Company's 3.05% Senior Unsecured Loan Note 2035 was £29,913,000 (2024 – £29,906,000). The maximum exposure at 31 July 2025 was £29,913,000 (2024 – £29,906,000) and the minimum exposure at 31 July 2025 was £29,906,000 (2024 – £29,898,000).

The maturity profile of the Company's existing borrowings is set out below.

|                                       | Expected cashflows<br>£'000 | Due within<br>3 months<br>£'000 | Due between<br>3 months<br>and 1 year<br>£'000 | Due after<br>1 year<br>£'000 |
|---------------------------------------|-----------------------------|---------------------------------|------------------------------------------------|------------------------------|
| <b>31 July 2025</b>                   |                             |                                 |                                                |                              |
| Bank Loan                             | 35,145                      | 35,145                          | -                                              | -                            |
| 3.05% Senior Unsecured Loan Note 2035 | 39,608                      | -                               | 915                                            | 38,693                       |
|                                       | <b>74,753</b>               | <b>35,145</b>                   | <b>915</b>                                     | <b>38,693</b>                |

|                                             | Expected cashflows<br>£'000 | Due within<br>3 months<br>£'000 | Due between<br>3 months<br>and 1 year<br>£'000 | Due after<br>1 year<br>£'000 |
|---------------------------------------------|-----------------------------|---------------------------------|------------------------------------------------|------------------------------|
| <b>31 July 2024</b>                         |                             |                                 |                                                |                              |
| 2.25% Convertible Unsecured Loan Stock 2025 | 37,053                      | -                               | 37,053                                         | -                            |
| 3.05% Senior Unsecured Loan Note 2035       | 40,523                      | -                               | 915                                            | 39,608                       |
|                                             | <b>77,576</b>               | <b>-</b>                        | <b>37,968</b>                                  | <b>39,608</b>                |

**Credit risk.** This is the risk of failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss.

**Management of the risk.** Investment transactions are carried out with a large number of brokers, whose credit-standing is reviewed periodically by the Investment Manager, and limits are set on the amount that may be due from any one broker. Settlement of investment transactions are also done on a delivery versus payment basis;

– the risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a monthly basis. In addition, the third party administrator carries out a stock reconciliation to Custodian records on a monthly basis to ensure discrepancies are picked up on a timely basis. The Manager's compliance department carries out periodic reviews of the Custodian's operations and reports its finding to the Manager's risk management committee. This review will also include checks on the maintenance and security of investments held; and

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

It is the Manager's policy to trade only with A- and above (Long Term rated) and A-1/P-1 (Short Term rated) counterparties.

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

**Credit risk exposure.** In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 31 July was as follows:

|                              | 2025                                           |                              | 2024                                           |                              |
|------------------------------|------------------------------------------------|------------------------------|------------------------------------------------|------------------------------|
|                              | Statement<br>of Financial<br>Position<br>£'000 | Maximum<br>exposure<br>£'000 | Statement<br>of Financial<br>Position<br>£'000 | Maximum<br>exposure<br>£'000 |
| <b>Current assets</b>        |                                                |                              |                                                |                              |
| Debtors and prepayments      | 5,728                                          | 5,728                        | 3,808                                          | 3,808                        |
| Cash and short term deposits | 12,512                                         | 12,512                       | 12,703                                         | 12,703                       |
|                              | <b>18,240</b>                                  | <b>18,240</b>                | 16,511                                         | 16,511                       |

None of the Company's financial assets is past due or impaired.

**Fair values of financial assets and financial liabilities.** The fair value of the loan note has been calculated at £26,829,000 as at 31 July 2025 (2024 – £27,112,000) compared to a value at amortised cost in the financial statements of £29,913,000 (2024 – £29,906,000) (note 13). The fair value of the loan note is determined by aggregating the expected future cash flows for that loan discounted at a rate comprising the borrower's margin plus an average of market rates applicable to loans of a similar period of time and currency. Investments held at fair value through profit or loss are valued at their quoted bid prices which equate to their fair values. The Directors are of the opinion that the other financial assets and liabilities, excluding CULS which are held at amortised cost, are stated at fair value in the Statement of Financial Position and considered that this approximates to the carrying amount.

## 20. 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.

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 Statement of Financial Position are grouped into the fair value hierarchy at 31 July 2025 as follows:

| As at 31 July 2025                                                           | Note | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
|------------------------------------------------------------------------------|------|------------------|------------------|------------------|----------------|
| <b>Financial assets and liabilities at fair value through profit or loss</b> |      |                  |                  |                  |                |
| Quoted equities                                                              | a)   | 620,890          | -                | -                | 620,890        |
| Quoted warrants                                                              | b)   | -                | 61               | -                | 61             |
| <b>Net fair value</b>                                                        |      | <b>620,890</b>   | <b>61</b>        | <b>-</b>         | <b>620,951</b> |

| As at 31 July 2024                                                           | Note | Level 1<br>£'000 | Level 2<br>£'000 | Level 3<br>£'000 | Total<br>£'000 |
|------------------------------------------------------------------------------|------|------------------|------------------|------------------|----------------|
| <b>Financial assets and liabilities at fair value through profit or loss</b> |      |                  |                  |                  |                |
| Quoted equities                                                              | a)   | 562,138          | -                | -                | 562,138        |
| Quoted preference shares                                                     | b)   | -                | -                | 2,438            | 2,438          |
| Quoted warrants                                                              | b)   | -                | 221              | -                | 221            |
| <b>Net fair value</b>                                                        |      | <b>562,138</b>   | <b>221</b>       | <b>2,438</b>     | <b>564,797</b> |

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

**b) Quoted 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.

|                                                                                                   | Year ended<br>31 July 2025<br>£'000 | Year ended<br>31 July 2024<br>£'000 |
|---------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|
| <b>Level 3 Financial assets at fair value through profit or loss</b>                              |                                     |                                     |
| Opening fair value                                                                                | 2,438                               | 12,910                              |
| Transfer to level 1                                                                               | -                                   | (9,958)                             |
| Total gains or losses included in losses on investments in the Statement of Comprehensive Income: |                                     |                                     |
| - assets disposed of during the year                                                              | (2,438)                             | -                                   |
| - assets held at the end of the year                                                              | -                                   | (514)                               |
| <b>Closing balance</b>                                                                            | <b>-</b>                            | <b>2,438</b>                        |

Level 2 assets comprise First Sponsor Group warrants of £61,000 have been classified as level 2 to reflect their illiquidity. Their fair value has been based on a trade executed in August 2024.

## 21. Capital management policies and procedures

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt (comprising Bank Loans and Loan Note) and equity balance.

The Company's capital comprises the following:

|                                             | 2025<br>£'000  | 2024<br>£'000  |
|---------------------------------------------|----------------|----------------|
| <b>Equity</b>                               |                |                |
| Equity share capital                        | 10,965         | 10,436         |
| Reserves                                    | 547,628        | 491,824        |
| <b>Liabilities</b>                          |                |                |
| 3.05% Senior Unsecured Loan Note 2035       | 29,913         | 29,906         |
| Bank loan                                   | 34,871         | -              |
| 2.25% Convertible Unsecured Loan Stock 2025 | -              | 36,368         |
|                                             | <b>623,377</b> | <b>568,534</b> |

The Board's policy is to utilise gearing when the Manager believes it appropriate to do so, up to a maximum of 25% geared at the time of drawdown. Gearing for this purpose is defined as the excess amount above shareholders' funds of total assets (including net current assets/liabilities) less cash/cash equivalents, expressed as a percentage of the shareholders' funds. If the amount so calculated is negative, this is shown as a 'net cash' position.

|                                                    | 2025<br>£'000  | 2024<br>£'000  |
|----------------------------------------------------|----------------|----------------|
| Investments at fair value through profit or loss   | 620,951        | 564,797        |
| Current assets excluding cash and cash equivalents | 1,594          | 1,248          |
| Current liabilities                                | (1,188)        | (1,328)        |
| Deferred tax liability on Indian capital gains     | (5,835)        | (10,291)       |
|                                                    | 615,522        | 554,426        |
| <b>Shareholders' funds</b>                         | <b>558,593</b> | <b>502,260</b> |
| <b>Gearing (%)</b>                                 | <b>10.2</b>    | <b>10.4</b>    |

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. The review includes:

- the planned level of gearing which takes account of the Manager's views on the market;
- the level of equity shares in issue;
- the extent to which revenue in excess of that which is required to be distributed should be retained.

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

The Company does not have any externally imposed capital requirements.

## 22. Subsequent events

With effect from 14 October 2025, the Company has changed its name to "Aberdeen Asia Focus PLC".

# Alternative Performance Measures (Unaudited)

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.

## Discount to net asset value per Ordinary share

The difference between the share price and the net asset value per Ordinary share expressed as a percentage of the net asset value per Ordinary share. 2025 has been presented on a diluted basis as the Convertible Unsecured Loan Stock ("CULS") were "in the money" (2024 – same).

|                            |         | As at<br>31 July 2025 | As at<br>31 July 2024 |
|----------------------------|---------|-----------------------|-----------------------|
| NAV per Ordinary share (p) | a       | 381.72                | 324.26                |
| Share price (p)            | b       | 343.00                | 278.00                |
| Discount                   | (a-b)/a | 10.1%                 | 14.3%                 |

## Dividend cover

Revenue return per Ordinary share divided by dividends declared for the year per Ordinary share expressed as a ratio.

|                                       |     | Year ended<br>31 July 2025 | Year ended<br>31 July 2024 |
|---------------------------------------|-----|----------------------------|----------------------------|
| Revenue return per Ordinary share (p) | a   | 7.44                       | 8.59                       |
| Dividends declared (p)                | b   | 6.43                       | 6.42                       |
| Dividend cover                        | a/b | 1.16                       | 1.34                       |

## Net gearing

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

|                                      |             | Year ended<br>31 July 2025 | Year ended<br>31 July 2024 |
|--------------------------------------|-------------|----------------------------|----------------------------|
| Borrowings (£'000)                   | a           | 64,784                     | 66,274                     |
| Cash and short term deposits (£'000) | b           | 12,512                     | 12,703                     |
| Amounts due to brokers (£'000)       | c           | 8,791                      | 1,155                      |
| Amounts due from brokers (£'000)     | d           | 4,134                      | 2,560                      |
| Shareholders' funds (£'000)          | e           | 558,593                    | 502,260                    |
| Net gearing                          | (a-b+c-d)/e | 10.2%                      | 10.4%                      |

## 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 published daily net asset values with debt at fair value throughout the year.

|                                                  | 2025           | 2024           |
|--------------------------------------------------|----------------|----------------|
| Investment management fees (£'000)               | 3,276          | 3,076          |
| Administrative expenses (£'000)                  | 1,582          | 1,306          |
| Less: non-recurring charges <sup>A</sup> (£'000) | (164)          | (32)           |
| <b>Ongoing charges (£'000)</b>                   | <b>4,694</b>   | <b>4,350</b>   |
| <b>Average net assets (£'000)</b>                | <b>518,389</b> | <b>488,772</b> |
| <b>Ongoing charges ratio</b>                     | <b>0.91%</b>   | <b>0.89%</b>   |

<sup>A</sup> Professional fees comprising corporate and legal fees considered unlikely to recur.

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

## 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 and share price total returns are monitored against open-ended and closed-ended competitors, and the Reference Index, respectively.

| Year ended 31 July 2025            |             | NAV           | Share Price   |
|------------------------------------|-------------|---------------|---------------|
| Opening at 1 August 2024           | a           | 324.26p       | 278.00p       |
| Closing at 31 July 2025            | b           | 381.72p       | 343.00p       |
| Price movements                    | $c=(b/a)-1$ | 17.7%         | 23.4%         |
| Dividend reinvestment <sup>A</sup> | d           | 2.6%          | 3.2%          |
| <b>Total return</b>                | <b>c+d</b>  | <b>+20.3%</b> | <b>+26.6%</b> |

| Year ended 31 July 2024            |             | NAV          | Share Price  |
|------------------------------------|-------------|--------------|--------------|
| Opening at 1 August 2023           | a           | 308.93p      | 264.00p      |
| Closing at 31 July 2024            | b           | 324.26p      | 278.00p      |
| Price movements                    | $c=(b/a)-1$ | 5.0%         | 5.3%         |
| Dividend reinvestment <sup>A</sup> | d           | 2.9%         | 3.5%         |
| <b>Total return</b>                | <b>c+d</b>  | <b>+7.9%</b> | <b>+8.8%</b> |

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

The Annual General Meeting will be held at 18 Bishops Square, London, E1 6EG, at 12:30 p.m. on 8 December 2025. Please note that past performance is not necessarily a guide to the future and that the value of investments and the income from them may fall as well as rise and may be affected by exchange rate movements. Investors may not get back the amount they originally invested.

The Annual Financial Report Announcement is not the Company's statutory accounts. The above results for the year ended 31 July 2025 are an abridged version of the Company's full financial statements, which have been approved and audited with an unqualified report. The 2024 and 2025 statutory accounts received unqualified reports from the Company's auditors and did not include any reference to matters to which the auditors drew attention by way of emphasis without qualifying the reports and did not contain a statement under s.498(2) or 498(3) of the Companies Act 2006. The financial information for 2024 is derived from the statutory accounts for 2021 which have been delivered to the Registrar of Companies. The 2025 financial statements will be filed with the Registrar of Companies in due course.

The audited Annual Report and financial statements will be posted to shareholders in early November. Copies may be obtained during normal business hours from the Company's Registered Office, 280 Bishopsgate, London EC2M 4AG or from the Company's website, [asia-focus.co.uk](http://asia-focus.co.uk)\*

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

By Order of the Board  
**abrdn Holdings Limited**  
Secretary  
22 October 2025