

Asia Dragon Trust plc

(formerly Edinburgh Dragon Trust plc)

Capturing growth from world-class Asian companies





Housing Development Finance Corp

HDFC is a leading local mortgage provider in India with excellent asset quality and feeding off the strong growth in the domestic housing industry.

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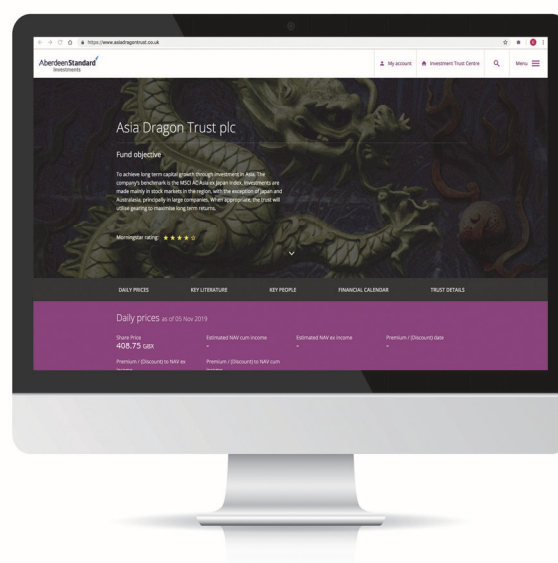
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Company Overview

Launched in 1987, the Company is an investment company and its Ordinary shares are listed on the premium segment of the London Stock Exchange. It is a member of the Association of Investment Companies ("AIC").

The Company is governed by a Board of Directors, all of whom are non-executive and independent. Like many other investment companies, it outsources its investment management and administration to an investment management group, Aberdeen Standard Investments (the

investment arm of Standard Life Aberdeen plc group of companies).

Investment Objective

The Company aims to achieve long-term capital growth through investment in Asia with the exception of Japan and Australasia. Investments are made primarily in stock markets in the region, principally in large companies. When appropriate, the Company will utilise gearing to maximise long term returns.

Financial Highlights

Net asset value total return^A

+9.8%

2018

+2.3%

Benchmark total return^A (in sterling terms)

+0.3%

2018

+2.2%

Earnings per share (revenue)

4.87p

2018

5.03p

Share price total return^A

+10.0%

2018

+3.4%

Ongoing charges^A

0.83%

2018

0.80%

Dividend per share

4.75p

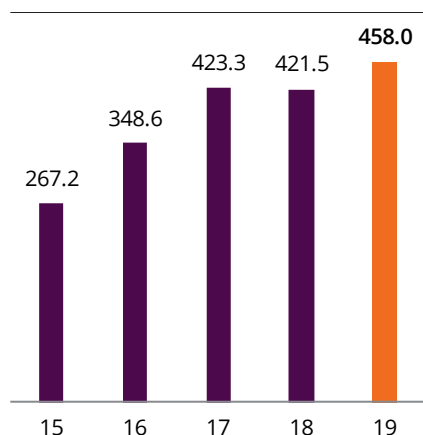
2018

4.00p

^A Considered to be an Alternative Performance Measure. Further details can be found on pages 65 and 66.

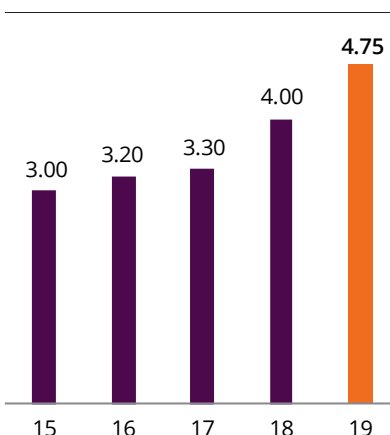
Net asset value per share

At 31 August – pence



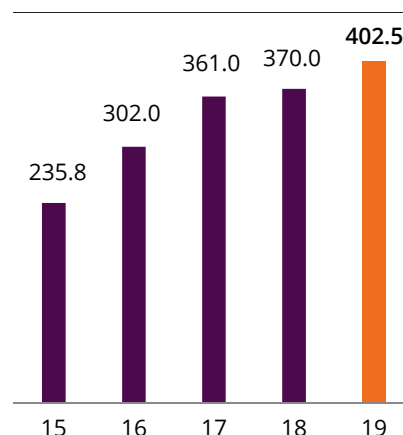
Dividends per share

pence



Mid-market price per share

At 31 August – pence



Overview

Chairman's Statement



James Will
Chairman

Performance

Results

I am pleased to report that, in a challenging environment, your Company's investment performance remained robust during the year to 31 August 2019. On a total return basis, the net asset value per share (NAV) increased by 9.8% in sterling terms. In comparison, the benchmark, the MSCI Asia ex Japan Index, rose by 0.3%. The share price rose by 10% to 402.5p as at 31 August 2019.

This performance attests to your Manager's bottom-up, fundamentals driven approach that seeks out high quality companies with effective management, good cash flow and healthy balance sheets at attractive valuations. The portfolio's holdings are businesses which harness long term growth trends. Such a quality focused style returned to favour amid increasing risk aversion from investors.

During the period Asia was dominated by economic and political uncertainty. Escalating tensions between China and the US weighed on an already slowing global economy. It was also a busy year in politics. Incumbents in India and Indonesia scored decisive election wins, which augured well for reform. Separately, large scale demonstrations in Hong Kong, arising from a controversial bill, hobbled tourism, residential demand and consumer confidence. Your Manager is watchful of further developments and the potential impact upon your Company's exposures there.

Enhancements to Investment Process

The Board is encouraged that the performance has shown a steadily improving trend, one that has continued since the period end, noting in particular that the Company ranked first in its AIC Asia Pacific NAV performance peer group table of investment companies for the one year ended 31 August 2019*. This follows a process of consultation between the Board and the

Manager in 2016 and 2017, after a period of underperformance. As previously reported, the Board conducted due diligence visits to the Manager's office in Singapore and engaged a consultant to assist in an evaluation of the Manager. At that time, the Board worked with the Manager to seek to understand the issues behind the period of underperformance, looking at ways that returns could be enhanced. The Manager made three key refinements to its process in relation to deeper sector analysis, broader risk assessment of relative portfolio risks and the buying and selling process. Progress to date has been encouraging.

*[*Source: AIC]*

Market Background and Portfolio

Despite the benchmark's flat return, markets during the period were anything but calm. Three intertwined themes lay at the root of the swings in sentiment.

The first was the escalating US-China trade war, which sparked rounds of retaliatory tariff hikes. Hopes of a deal spurred markets in early 2019, but volatility spiked again after talks stalled. While negotiations have resumed, both sides still appear unable to agree on key sticking points.

The second concern grew over the impact of the trade war on China and the world economy. The confrontation has hurt both exports and business confidence, and resulted in companies taking a more cautious view of investment spending. Elsewhere, subdued growth in Europe, alongside key bond market signals of an impending downturn in the US, further weighed on the global growth outlook.

The third driver concerned monetary policy. The US Federal Reserve and other major central banks were set on a tightening path in 2018, but mounting economic risks forced a pivot to a more dovish stance this year. Among G10 countries, Australia, New Zealand and the

Overview

Chairman's Statement continued

US have loosened policy. In Asia, India is leading the way with five interest rate cuts during the year 2019 so far. In China, the rift with the US deepened growth worries at the same time as the mainland economy was already slowing as a result of the government's well intentioned deleveraging campaign. While Beijing unveiled targeted measures to boost consumption and stabilise growth, the effects of these are yet to be felt fully. Nonetheless, your Manager continues to be upbeat about the country's longer term potential. Your Trust's holdings there are leveraged to growing domestic demand for luxury items, travel, insurance and healthcare, underpinned by rising wealth and a more sophisticated consumer base.

Your Manager's stock choices were a major driver of the Trust's strong performance. Notably, six of the 10 top performing holdings were from China. Your Manager's preference for domestic oriented consumer names proved rewarding. Several of the portfolio's holdings, which are industry leaders in the travel, liquor, consumer goods and insurance segments, performed better than the wider market. Kweichow Moutai, for example, is a premium distiller of high end spirits, while China International Travel Services and Shanghai International Airport are well placed to capitalise on growing demand for travel.

Also making salient contributions were the portfolio's core financial holdings in India and Indonesia. Among them, Housing Development Finance Corp, a leading Indian financial conglomerate, was resilient despite tighter liquidity conditions, while Bank Central Asia is the domestic market leader in SME lending. Some of the additions to the portfolio this year augmented your Company's exposure to these areas. Bank Rakyat Indonesia specialises in micro lending, SBI Life Insurance is India's biggest private life insurer, while Prestige Estates is a well regarded property developer based in Bangalore.

The Investment Manager's Review provides more details about your Company's performance and portfolio.

Appointment of co-manager

The Board was pleased to welcome Pruksa Iamthongthong's appointment during the year as co-manager alongside Adrian Lim to provide the Company with more dedicated resource. Pruksa is, like Adrian, an investment director of Aberdeen Standard Investments (Asia) Limited.

Marketing – greater focus on individual investors and name refresh

As many individual investors increasingly select their own investments through online platforms, it is becoming important for most investment companies to market themselves effectively to such individuals who have quickly become a significant proportion of those investing across UK investment companies.

Approximately a quarter of all share capital issued by the UK investment company sector is held through these online platforms.

While the Company enjoys a strong relationship with many institutions and wealth managers, the Board is of the view that more can be done to raise the Company's profile among, and increase demand from, individual investors. Such investors currently own only around 13% of the Company's issued share capital.

The Company's change of name to Asia Dragon Trust (as from 4 November 2019) will emphasise the Company's geographic focus, particularly to individual investors, giving the Company a fresher identity, while retaining the strong Dragon name. The Board believes that by raising the profile of Asia Dragon Trust and highlighting its differentiation from its peers, combined with greater marketing focus on individuals, there is the opportunity to grow demand from self-directed retail investors.

The Board and the Manager will work closely to develop further the Company's communication with investors, highlighting the resources, heritage and reputation which the Manager enjoys in Asia and how these are to the benefit of investors. The Board believes that reinforcing the Company's essential message, as a long-term, cornerstone investment in Asia aiming for capital growth from world-class Asian companies, should resonate with many long-term individual investors.

Successfully stimulating additional demand for the Company's shares should assist in the reduction of discount volatility and, over time, increase liquidity.

In addition the Company will be increasing its resource in wealth manager engagement and relations. The Manager has expanded both the resource of its UK closed-end sales team and the support from its investment product specialists, while also placing additional emphasis on targeting those smaller and self-determined wealth managers who build client portfolios using investment trusts.

Gearing

The Board continues to believe that the sensible use of modest financial gearing should enhance returns to

shareholders over the longer term. On 30 July 2019 the Company's £50 million one year loan facility was replaced with a £50 million three year facility, of which £25 million was fixed and fully drawn down and £25 million was revolving, of which £6 million was drawn down at the year end.

Discounts and Share Buybacks

In December 2018 the Company announced proposals for a tender offer for 30% of the Company's issued shares at a discount of 2% to formula asset value (being net asset value less the costs of the tender offer) which were approved by shareholders in January 2019. This resulted in 112.29 million shares (60.5% of the Company's shares excluding treasury) being validly tendered under the tender offer. As the tender offer was oversubscribed, the basic entitlement of all shareholders was accepted in full and excess tenders were satisfied to the extent of approximately 17.6% of the excess shares tendered. A total of 55.7 million shares (30% of the issued share capital) were repurchased by the Company under the tender offer and cancelled and the appropriate payments were made to shareholders.

The Board has continued to demonstrate its commitment to the buying back of shares in order to minimise Dragon's discount volatility. During the year ended 31 August 2019, 2.5 million shares were bought back into treasury at a cost of £9.35 million. Since the period end, a further 584,535 shares have been bought back into treasury at a cost of £2.38 million. The discount at the end of August 2019 was 12.1% compared to 12.2% at the previous year end. As at 31 October 2019, the discount had narrowed to 10.8%.

Revenue Account

The Company's revenue return per share marginally decreased to 4.87p for the year to 31 August 2019 (2018 – 5.03p). It remains the Board's policy to pay a final dividend marginally in excess of the minimum required to maintain investment trust status, which may, of course, lead to some volatility in the level of dividend paid. The Board, therefore, recommends the payment of a final dividend of 4.75p per Ordinary share (2018 – 4.0p) which, if approved by shareholders at the Annual General Meeting, will be paid on 17 December 2019.

Review of Manager

The Board continues to review the Manager's operations and performance and is, as I have mentioned above, encouraged with the recovery in the Company's performance which is ahead of the benchmark index over one and three years.

The Board

Allan McKenzie retired as Chairman and from the Board on 3 July 2019. The Company benefited greatly from his knowledge, experience and leadership over many years. On behalf of the Board, I should like to thank Allan for his outstanding contribution.

The Board regularly undertakes a review of its performance and structure to ensure that it has the appropriate mix of relevant skills, diversity and experience for the effective operation of the Company's business. As part of the Board's succession planning, Gaynor Coley was appointed as a non-executive Director on 3 July 2019. Gaynor, a qualified chartered accountant, has over 30 years' experience in private and public sector finance and governance and she will assume the chair of the audit committee following the AGM in December 2019. Iain McLaren, the current chair of the audit committee, has kindly agreed to remain on the Board until after the publication of our interim results in May 2020 to assist with the audit chair transition, at which time he will stand down.

Recognising the benefits of regular Board refreshment, under the Board's updated succession plan, Directors (including the Chairman) will, subject both to annual re-election and renewal of the appointment every three years, normally retire on or shortly after the ninth anniversary of their original appointment.

Outlook

Sentiment will likely remain subdued as the risks confronting Asian equities remain heightened. The most obvious is the US/China conflict over trade and technology. Signals that both sides are battenning down the hatches suggest that an immediate resolution is unlikely. Other geopolitical hotspots are emerging, such as the Hong Kong protests, the Japan-Korea dispute arising from Japan's curbs on semiconductor related exports to Korea, as well as rising tensions in the Middle East. These geopolitical anxieties could further hinder the global economy. Near term prospects for both output and investment are softening.

That said, the fundamentals of most Asian economies are resilient, and policymakers have acted to support growth and liquidity. Central banks' tightening measures in 2018 now appear prescient as it enables them to lower rates as and when required from a higher base. Further easing seems likely given the deteriorating outlook for growth over the months ahead.

In these uncertain times, staying disciplined is crucial. For your Manager, this means looking past the noise and maintaining a focus on quality companies that offer

Overview

Chairman's Statement continued

good value. The underlying portfolio consists of many such businesses. Their robust financials provide a buffer against shocks and should support continued shareholder returns, as will their ability to tap into structural growth trends that will play out for decades to come. The Board is confident that the Trust is positioned well to continue delivering solid returns for Shareholders.

For Asia Dragon Trust plc

James Will
Chairman

1 November 2019

Strategic Report

The Company is an investment trust and aims to achieve long-term capital growth principally through investment in listed companies which are believed by the Investment Manager to have above average prospects for growth. The Company invests in a portfolio of about 70 companies in the Asia Pacific region with the exception of Japan and Australasia. It is one of the larger investment trusts investing in the Asia Pacific region ex Japan.

Fundamental research drives the investment process. Aberdeen Standard Investments (ASI) believes in first-hand research, meeting corporate management and visiting the holdings at least twice a year, analysing results quarterly and monitoring news flow. The main investment risk to them is buying a poor quality company, or one that is overpriced. The Investment Manager focuses on management, governance and the business plan; due diligence and a focus on quality is their main form of risk control.

1987

Asia Dragon Trust plc was incorporated in 1987; investment trusts are one of the oldest forms of collective investment in the world.



Kweichow Moutai

Kweichow Moutai is a leading Chinese white spirits (baijiu) maker, headquartered in Guizhou province. Its major premium product, 53 degree Feitian Moutai, is one of the most prestigious baijiu brands in China. Backed by strong brand equity, the company is well positioned to capture growing mainland demand for premium alcohol.

Strategic Report

Overview of Strategy

Business Model

The business model of the Company is to operate as an investment trust for UK capital gains tax purposes in line with its investment objective. The Directors are of the opinion that the Company has conducted its affairs for the year ended 31 August 2019 so as to enable it to comply with the relevant eligibility conditions for investment trust status as defined by Section 1158 of the Corporation Tax Act 2010.

Investment Policy

The Company's assets are invested in a diversified portfolio of securities in quoted companies spread across a range of industries and economies in the Asia Pacific region, excluding Japan and Australasia. The shares that make up the portfolio are selected from companies that have proven management and whose shares are considered to be attractively priced. The Company invests in a diversified range of sectors and countries. Investments are not limited as to market capitalisation, sector or country weightings within the region.

The Company's policy is to invest no more than 15% of gross assets in other listed investment companies (including listed investment trusts).

The Company complies with Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 and does not invest more than 15% of its assets in the shares of any one company.

When appropriate the Company will utilise gearing to maximise long-term returns, subject to a maximum gearing level of 20% of net assets imposed by the Board.

The Company does not currently utilise derivatives but keeps this under review.

Company Benchmark

MSCI All Country Asia (ex Japan) Index (sterling adjusted).

Alternative Investment Fund Manager ("AIFM")

The AIFM is Aberdeen Standard Fund Managers Limited ("ASFML" or the "Manager") which is authorised and regulated by the Financial Conduct Authority.

The Company's portfolio is managed on a day-to-day basis by Aberdeen Standard Investments (Asia) Limited ("ASI Asia" or the "Investment Manager") by way of a delegation agreement. ASI Asia and ASFML are both wholly owned subsidiaries of Standard Life Aberdeen plc, formed by the merger of Aberdeen Asset Management PLC and Standard Life plc on 14 August 2017.

Achieving the Investment Policy and Objective

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 to the Investment Manager. The Investment Manager follows a bottom-up investment process based on a disciplined evaluation of companies through direct contact by its fund managers. Stock selection is the major source of added value. No stock is bought without the Investment Manager having first met management. The Investment Manager evaluates 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 evaluated by reference to key financial ratios, the market, the peer group and business prospects. Stock selection is key in constructing a diversified portfolio of companies. The Investment Manager is authorised to invest up to 15% of the Company's gross assets in any single stock, calculated at the time an investment is made.

A comprehensive analysis of the Company's portfolio by country and by sector is disclosed on pages 17 to 21, including a description of the ten largest investments, the full investment portfolio by value and sector/geographical analysis. At 31 August 2019, the Company's portfolio consisted of 66 holdings.

Gearing is used to leverage the Company's portfolio in order to enhance returns when this is considered appropriate to do so. At 31 August 2019, the Company's net gearing was 3.5%.

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 position, performance and prospects. The Board has identified and undertaken a robust review of the principal risks and uncertainties facing the Company in the page opposite and the appropriate mitigating action. 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 on the Company's website. Further details on the internal control environment can be found in the Statement of Corporate Governance.

Risk*

Investment Performance -The Company's investment performance is the most critical factor to the Company's long term success. Sustained underperformance may result in reduced demand for the Company's shares.

Mitigating Action

The Board continually monitors the investment performance of the Company, taking account of stockmarket factors, and reviews the Company's performance compared to its benchmark index and peer group.

In addition to its own due diligence, the Board has used consultants to provide an independent perspective on the Manager's process and performance.

Concentration Risk - Trading volumes in certain securities of emerging markets can be low. The Investment Manager may accumulate investment positions across all its managed funds that represent a significant multiple of the normal trading volumes of an investment which may result in a lack of liquidity and price volatility. Accordingly, the Company will not necessarily be able to realise, within a short period of time, an illiquid investment and any such realisation that may be achieved may be at considerably lower prices than the Company's valuation of that investment for the purpose of calculating the net asset value ("NAV") per Ordinary share.

The Board reviews, on a regular basis, the Manager's total holdings for each stock within the Company's portfolio and the liquidity of these stocks.

Resource - The Company is an investment trust and has no employees. The responsibility for the provision of investment management, marketing and administration services for the Company has been delegated to the AIFM, Aberdeen Standard Fund Managers Limited, under the management agreement. The terms of the management agreement cover the necessary duties and conditions expected of the Manager. As a result, the Company is dependent on the performance of the AIFM.

The Board reviews the performance of the Manager on a regular basis and their compliance with the management contract formally on an annual basis. As part of that review, the Board assesses the Manager's succession plans, risk management framework and marketing activities.

Reliance on Third Party Service Providers -The Company has entered into a number of contracts with third party providers including share registrar and depository services. Failure by any service provider to carry out its contractual obligations could have a detrimental impact on the Company operations.

The Board reviews the performance of third party providers on an annual basis. The Manager monitors the quality of services provided through regular reports and due diligence reviews. Third party service providers report periodically on their internal controls which includes confirmation of their business continuity arrangements and procedures to address cyber-crime.

Discount Volatility - The Company's share price can trade at a discount to its underlying net asset value.

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.

Gearing - As at 31 August 2019 the Company had £31.0 million of bank borrowings. Gearing has the effect of exacerbating market falls and gains.

In order to manage the level of gearing, the Board has set a maximum gearing ratio of 20% of net assets and receives regular updates from the Manager on the actual gearing levels the Company has reached together with the assets and liabilities of the Company and reviews these at each Board meeting.

Strategic Report

Overview of Strategy continued

Regulatory - The Company operates in a complex regulatory environment and faces a number of regulatory risks. Serious breaches of regulations, such as the tax rules for investment companies, the UKLA Listing Rules and the Companies Act, could lead to a number of detrimental outcomes and reputational damage.

The Directors do not anticipate any significant adverse effect on the Company arising from Brexit.

The Audit Committee monitors compliance with regulations by reviewing internal control reports from the Manager, AIC updates and reports from the Company Secretary.

** Further details on other risks relating to the Company's investment activities, including market price, liquidity and foreign currency risks are provided in note 17 to the financial statements.*

Brexit - The outcome and potential impact of the UK Government's negotiations with the European Union on Brexit is still unclear at the date of this report. This remains an economic risk for the Company, principally in relation to the potential impact of Brexit on currency volatility. As an investment trust with an Asian mandate, the Company's portfolio is unlikely to be adversely impacted as a direct result of Brexit although some currency volatility could arise.

The uncertainty surrounding Brexit could impact investor sentiment and could lead to increased or reduced demand for the Company's shares, which would be reflected in a narrowing or widening of the discount at which the Company's shares trade relative to their net asset value.

The Board will continue to monitor developments as they occur.

Performance

Key Performance Indicators

At each Board meeting, the Directors consider a number of performance measures to assess the Company's success in achieving its objectives. The key performance indicators ("KPIs") are established industry measures, and are as follows:

KPI	Description
Net asset value and share price (total return)	The Board monitors the NAV and share price performance of the Company over different time periods. Performance figures for one, three and five years are provided in the Results section.
Performance against benchmark	<p>Performance is measured against the Company's benchmark, the MSCI All Country Asia (ex Japan) Index (in sterling terms).</p> <p>The Board also considers peer group comparative performance over a range of time periods, taking into consideration the differing investment policies and objectives employed by those companies.</p>
Discount/Premium to net asset value	The discount/premium relative to the NAV 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 discount relative to the NAV is shown on page 13.

Further analysis of the above KPIs is provided in the Chairman's Statement.

Promoting the Company

The Board recognises the importance of promoting the Company and believes an effective way to achieve this is through subscription to, and participation in, the promotional and investor relations programme run by the Manager on behalf of a number of investment trusts under its management. 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. The Company's financial contribution to the programme is matched by the Manager and regular reports are provided to the Board on promotional activities as well as an analysis of the shareholder register.

Duration

The Company does not have a fixed life but shareholders are given the opportunity to vote on the continuation of the Company at every third Annual General Meeting. The next continuation vote will be at the AGM in December 2022.

Board Diversity

The Board's statement on diversity is set out in the Statement of Corporate Governance. At 31 August 2019 there were four male Directors and two female Directors.

Environmental, Social and Human Rights Issues

The Company has no employees and therefore no disclosures are required to be made in respect of employees.

More information on socially responsible investment is set out in the Statement of Corporate Governance.

Viability Statement

In accordance with the provisions of the Listing Rules and UK Corporate Governance Code the Board has assessed the viability of the Company. The Company is a long-term investor and the Board believes it is appropriate to assess the Company's viability over a five year horizon which reflects the Investment Manager's long-term approach. The Directors believe this period reflects a proper balance between the long term horizon and the inherent uncertainties of looking to the future.

In assessing the viability of the Company the Directors have carried out a robust assessment of the following factors:

- the principal risks set out in the Strategic Report on pages 9 to 10 and the steps available to mitigate these risks;

- the liquidity and diversity (in both sector and geography) of the Company's investment portfolio;
- the demand for the Company's shares as evidenced by the level of discount at which the shares trade; and
- the level of gearing and revenue surplus generated by the Company. The Company has the ability to renew or repay its gearing.

When considering the risk of under-performance, the Board reviewed the impact of stress testing on the portfolio, including the effects of any substantial future falls in investment values. The Board has also had regard to matters such as significant economic or stock market volatility, a substantial reduction in the liquidity of the portfolio or changes in investor sentiment, all of which could have an impact on the Company's prospects and viability in the future. The results of the stress tests have given the Board comfort over the viability of the Company.

Taking into account all of these factors, the Company's current position and the potential impact of the principal risks and uncertainties faced by the Company, the Board has concluded that it has a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of this assessment to 31 August 2024.

James Will
Chairman

1 November 2019

Strategic Report

Results

Financial Highlights

	31 August 2019	31 August 2018	% change
Performance			
Equity shareholders' funds (£'000) ^A	589,708	788,019	-25.2
Net asset value per share (basic) (p)	458.03	421.54	+8.7
Share price (p)	402.50	370.00	+8.8
Market capitalisation (£'000) ^A	518,214	691,672	-25.1
MSCI AC Asia (ex Japan) Index (in sterling terms; capital return basis)	935.63	958.84	-2.4
Revenue return per share (basic) (p)	4.87	5.03	-3.2
Total return per share (basic) (p)	23.90	5.33	+348.4
Gearing			
Net gearing (%) ^B	3.5	2.2	
Discount			
Discount to net asset value (basic) (%) ^B	12.1	12.2	
Operating costs			
Ongoing charges ratio ^B	0.83	0.80	

^A The comparison of these measurements was affected by the Tender Offer, see note 14 for further details.

^B Considered to be an Alternative Performance Measure. Further details can be found on pages 65 and 66.

Year's Highs/Lows

	High	Low
Share price (p)	427.0	324.0
Net asset value (p)	478.6	362.0
Discount (%) ^A	-5.9	-12.5

^A Considered to be an Alternative Performance Measure.

Performance (total return)

	1 year return	3 year return	5 year return
	%	%	%
Share price ^A	+10.0	+37.5	+55.6
Net asset value ^{AB}	+9.8	+36.6	+56.1
MSCI AC Asia (ex Japan) Index (in sterling terms)	+0.3	+30.3	+57.6

^A Considered to be an Alternative Performance Measure. Further details can be found on page 65.

^B 1 year return presented on an undiluted basis; 3 and 5 year return presented on a diluted basis as CULS in issue during those periods were "in the money".

Dividends

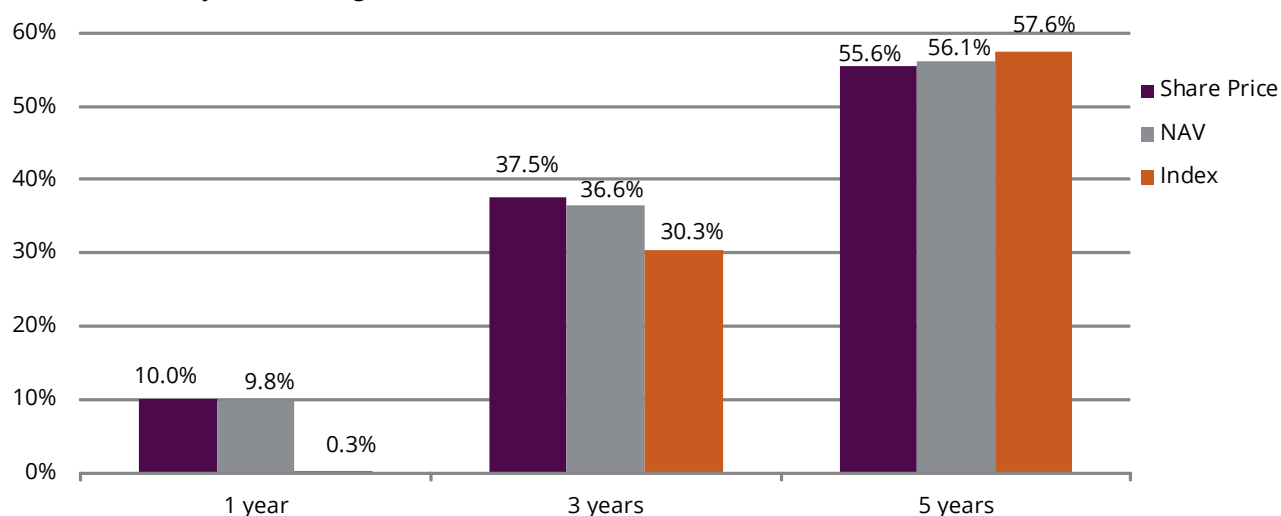
	Rate	xd date	Record date	Payment date
Proposed final 2019	4.75p	21 November 2019	22 November 2019	17 December 2019
Final 2018	4.00p	22 November 2018	23 November 2018	21 December 2018

Strategic Report

Performance

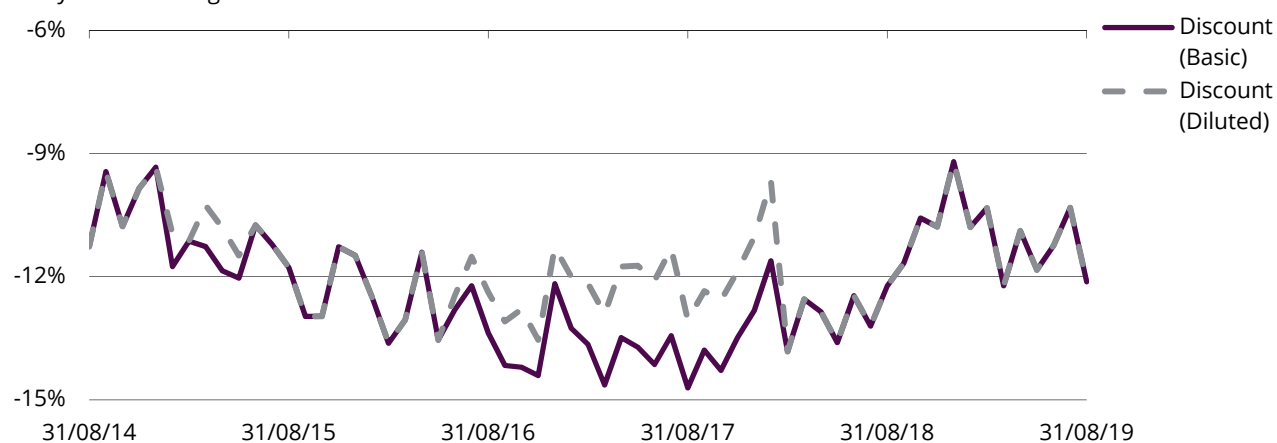
Total Return of NAV and Share Price vs MSCI All Country Asia (ex Japan) Index (in sterling terms)

One, three and five years to 31 August 2019



Share Price Discount to NAV

Five years to 31 August 2019



Source: Morningstar

Ten Year Financial Record

Year ended 31 August	Equity shareholders' interest £'000	Net asset value per Ordinary share p	Revenue return per Ordinary share p	Ordinary share price p	Share price discount %	Expenses as a % of average shareholders' funds ^A
2010	471,324	240.09	2.62	219.00	8.8	1.3
2011	493,555	251.37	4.31	230.00	8.5	1.2
2012	519,765	264.70	3.30	237.30	10.4	1.3
2013	550,346	280.26	3.42	254.70	9.1	1.2
2014	603,077	307.10	3.43	272.50	11.3	1.2
2015	518,635	267.22	4.13	235.75	11.8	1.2
2016	664,159	348.62	4.50	302.00	13.4	1.1
2017	807,330	423.26	4.68	361.00	13.1	1.0
2018	788,019	421.54	5.03	370.00	12.2	0.8
2019	589,708	458.03	4.87	402.50	12.1	0.8

^A The 2011 to 2019 expenses as a % of average shareholders' funds have been calculated with reference to guidance issued by the AIC on ongoing charges, which advises the use of the average daily net asset value throughout the year within the calculation. The figures for 2010 disclosed were calculated using previous best practice, which used the average monthly net asset value throughout the year within the calculation.

Strategic Report

Investment Manager's Review

Background/Portfolio review

Asian equities ended flat over the year under review. This belied the big swings in sentiment amid a slowing global economy. The push and pull of US-China trade relations and a sharp pivot in US monetary policy dictated sentiment. Initially, stocks sold off in late 2018, as worsening trade friction and the Federal Reserve's policy tightening unnerved investors. But as the year turned, optimism returned. US-China trade talks progressed, while the Fed changed tack. The rally, however, was cut short by renewed trade tensions, erasing earlier gains.

Against this backdrop, the Trust's net asset value (NAV) total return increased by 9.8% over the year, versus the benchmark MSCI All Country Asia (excluding Japan) Index's return of 0.3%. The share price rose by 10.0% to 402.5p.

The portfolio's pleasing performance was driven by your Company's choice of stocks in China. These holdings tap into the domestic economy and have boosted the portfolio's returns in recent years. Notably, travel-related stocks delivered stellar results. **China International Travel Service** gained from growing demand for domestic travel and **Shanghai International Airport** was additionally buoyed by contributions from its duty-free business. **Kweichow Moutai**, a distiller of high-end spirits, meanwhile benefited increased consumer confidence. It enjoyed healthy earnings growth as it benefited from its status as a premium distiller.

Your Company's financial holdings also proved rewarding. They were resilient despite the macro uncertainty. This is a testament to the quality of their franchise, capable management teams and balance sheet strength. For instance, **Bank Central Asia** is the largest private lender in Indonesia and leads the market in lending to small and medium enterprises. As an early adopter of technology, it has the broadest deposit franchise. This helps the bank to enjoy the lowest cost of funds compared to its peers even as it offers competitive rates. Its lending margins are consistently high.

Another key contributor was China's biggest insurer **Ping An Insurance Group**. It is transforming itself from a traditional life insurer into a one-stop shop for financial services. The group harbours ambitions to be a financial-technology (fintech) powerhouse, as its management has invested in future technology needs, securing an early-mover advantage in mobile apps and technologies including artificial intelligence and blockchain technologies.

Elsewhere, **Housing Development Finance Corp**, a financial services conglomerate in India, held its own despite a liquidity crunch in the Indian financial system.

This reflects its well-diversified funding mix and quality loan book.

In contrast, its peer **Piramal Enterprises** lagged. Investors feared it would be exposed to defaults in the real estate sector, which accounts for the lion's share of its loan book. We take comfort in how it has reduced risks on its loan book and raised enough funds to bolster capital. Vietnamese lender **Techcombank** also weighed on returns, as lending margins in the sector came under pressure. Nevertheless, we take the long view and believe the bank is well positioned for future growth in Vietnam, an exciting but volatile frontier market.

The internet sector faced a challenging backdrop, but our positioning delivered positive returns for the portfolio. **Tencent**, which your Company holds, found support from higher profits, although revenue growth slowed. We remain upbeat about Tencent, given encouraging trends from its fintech and cloud segments. The decision to not hold Chinese search giant Baidu benefited your Company, as its shares retreated along with the technology sell-off. Its management also lowered its earnings forecasts, following tighter regulations and growing online advertising competition.

Portfolio activity

We took advantage of attractive valuations to add quality stocks to the portfolio, providing a margin of safety that maximises future returns. We favour companies that are well run with sustainable competitive advantage and solid financials. We found these qualities in **Bank Rakyat Indonesia (BRI)** **SBI Life Insurance** and **Prestige Estates**. State-owned BRI boasts a highly profitable micro-lending franchise and is the market leader in this segment. Its wide reach across the archipelago allows it to penetrate a large underserved rural customer base. Its profitability, already one of the highest in the sector, should improve with its loan portfolio shifting increasingly towards micro-loans. Funding cost pressures are also likely to ease as the interest rate cycle moderates.

In India, we introduced SBI Life, the largest private sector life insurer in the country. It has a solid capital base and access to the extensive branch network of its parent, State Bank of India. It is well-placed to grow, as the expanding middle class switches from public-sector insurers to private ones, which often adopt better customer practices.

We also initiated Bangalore-based property developer **Prestige Estates**. The bulk of its projects are in the residential segment, though it has also built up a decent property investment portfolio. The government is pushing to reform the fragmented industry, requiring more transparency, better business practices and more rules to

protect buyers. This supports Prestige's outlook. The company's established brand, good track record and improving balance sheet give it a further advantage over smaller peers amid tighter financing access.

Against these, we sold mainland holdings Han's Laser Technology and China Mobile, as well as Hong Kong-listed Hang Lung Properties. We also exited Naver Corp and E-mart in South Korea, and similarly Ayala Corp and Holcim Indonesia in Southeast Asia.

Outlook

Equity markets across Asia remain volatile. Trade tensions persist, alongside an already-slowing global economy. Business and consumer sentiment have been hit by the macro uncertainty. This is affecting earnings momentum. We are seeing weaker results across most sectors and more cautious forecasts by your Company's holdings. Valuations are still reasonable, in part due to the recent market weakness. Benign inflation, meanwhile, gives policymakers elbow room for monetary policy easing. This would provide some support for regional economies.

In such uncertain times, your Company's holdings have solid franchises that should buffer them against near-term weakness and position them to perform well over the longer term. We expect conditions to remain challenging for companies and earnings growth, but we are comfortable with what we hold.

Aberdeen Standard Investments (Asia) Limited*

1 November 2019

* on behalf of Aberdeen Standard Fund Managers Limited. Both companies are subsidiaries of Standard Life Aberdeen plc.

Portfolio

The Investment Manager's theoretical universe of companies is all listed stocks within the Asia (ex Japan) region. In practice the universe is very much smaller; having visited over 96% of all stocks in the MSCI All Country Asia (ex Japan) universe in the last decade, the Manager has eliminated a vast proportion, mainly for reasons of size, business quality or governance. Asia Dragon Trust currently has 66 companies in its portfolio that meet the Investment Manager's selection criteria.

The Investment Manager is a true buy and hold investor. In its view, a good company is one it can in theory hold forever. It looks to invest in good quality companies at a sensible price. It looks first for sustainable cash flows and strong balance sheets. The Investment Manager invests for the long term – and only in companies that it believes it understands and can add value.

China International Travel Services

China International Travel Service (CITS) is the dominant duty-free operator in China with a market share exceeding 80%. It is well positioned to benefit from the industry's growth as mainland Chinese are increasingly travelling more. This is also supported by policy that encourages the Chinese to spend more domestically.

Portfolio Ten Largest Investments

As at 31 August 2019

Company	Industry	Country	Valuation 2019 ^A £'000	Total assets %	Valuation 2018 £'000
Tencent Holdings The internet giant continues to strengthen its ecosystem, and the Manager sees tremendous potential in Tencent's advertising business as it starts monetising its social media and payment platforms.	Interactive Media & Services	China	41,885	6.7	41,686
Samsung Electronics (Pref) A leading semiconductor company which is also a major player in mobile phones and consumer electronics.	Technology Hardware, Storage & Peripherals	South Korea	36,636	5.9	48,576
Taiwan Semiconductor Manufacturing Company As the world's largest pure-play semiconductor manufacturer, TSMC provides a full range of integrated foundry services, along with a robust balance sheet and good cash generation that enables it to keep investing in cutting-edge technology and innovation.	Semiconductors & Semiconductor Equipment	Taiwan	30,907	5.0	35,748
Housing Development Finance Corp Leading domestic mortgage provider with a leading distribution network, cost structure and balance sheet quality.	Thriffs & Mortgage Finance	India	22,063	3.6	23,759
Ping An Insurance 'H' China's biggest insurer, which is transforming itself from a traditional life insurer into a one-stop shop for financial services. It harbours ambitions to be a fintech powerhouse.	Insurance	China	21,641	3.5	16,937
AIA Group The Group offers life insurance, accident insurance, health insurance and wealth management solutions to individuals and businesses in the Asia Pacific region.	Insurance	Hong Kong	19,580	3.2	24,922
Bank Central Asia Among the largest local private banks in Indonesia, it is well capitalised and has a big and stable base of low-cost deposits that funds its lending, while asset quality has remained solid.	Banks	Indonesia	17,749	3.0	25,236
China International Travel Services 'A' China's largest duty-free operator, which is poised to benefit from rising consumer spending and growing demand for domestic travel.	Hotels, Restaurants & Leisure	China	17,646	2.8	16,913
Oversea-Chinese Banking Corporation A leading, well-run Singaporean banking group with assets and operations in South East Asia and China.	Banks	Singapore	17,286	2.8	24,380
Tata Consultancy Services India's largest information technology company has a diverse global footprint, continues to generate healthy cash flow and has built up a solid balance sheet.	IT Services	India	15,771	2.5	15,316
Top ten investments			241,164	39.0	

Portfolio Other Investments

As at 31 August 2019

Company	Sector	Country	Valuation 2019 ^A £'000	Total assets %	Valuation 2018 £'000
China Resources Land	Real Estate Management & Development	China	14,947	2.4	13,780
ITC	Tobacco	India	12,684	2.0	19,412
Jardine Strategic Holdings	Industrial Conglomerates	Hong Kong	12,238	2.0	22,810
Kweichow Moutai 'A'	Beverages	China	11,852	1.9	12,315
Ayala Land	Real Estate Management & Development	Philippines	11,764	1.9	13,028
Swire Properties	Real Estate Management & Development	Hong Kong	11,665	1.9	15,743
Siam Cement 'F'	Construction Materials	Thailand	9,487	1.5	18,152
City Developments	Real Estate Management & Development	Singapore	9,470	1.5	14,632
HDFC Bank	Banks	India	9,390	1.5	8,267
Keppel Corp	Industrial Conglomerates	Singapore	9,216	1.5	12,477
Top twenty investments			353,877	57.1	
DBS Group	Banks	Singapore	9,214	1.5	14,926
Astra International	Automobiles	Indonesia	9,112	1.5	12,648
Hong Kong Exchanges & Clearing	Capital Markets	Hong Kong	8,876	1.4	16,673
Kotak Mahindra Bank	Banks	India	8,702	1.4	10,109
LG Chem	Chemicals	South Korea	8,451	1.4	9,254
Hangzhou Hikvision Digital 'A'	Electronic Equipment, Instruments & Components	China	8,413	1.4	8,802
John Keells Holdings	Industrial Conglomerates	Sri Lanka	8,093	1.3	10,270
SBI Life Insurance	Insurance	India	7,717	1.2	-
Ultratech Cement	Construction Materials	India	7,714	1.2	5,476
CNOOC	Oil, Gas & Consumable Fuels	China	7,617	1.2	5,521
Top thirty investments			437,786	70.6	
Shanghai International Airport 'A'	Transport Infrastructure	China	7,571	1.2	9,510
Wuxi Biologics (Cayman)	Life Sciences Tools & Services	China	7,254	1.2	3,981
Vietnam Dairy Products	Food Products	Vietnam	6,984	1.1	6,912
Midea Group 'A'	Household Durables	China	6,913	1.1	7,974
ASM Pacific Technology	Semiconductors & Semiconductor Equipment	Hong Kong	6,802	1.1	5,863
Huazhu Group ADR	Hotels, Restaurants & Leisure	China	6,586	1.1	5,215
Kerry Logistics Network	Air Freight & Logistics	Hong Kong	6,338	1.0	8,382
Bank of Philippine Islands	Banks	Philippines	6,321	1.0	11,909
Piramal Enterprises	Pharmaceuticals	India	6,175	1.0	9,862
Autohome ADR	Interactive Media & Services	China	6,146	1.0	6,755
Top forty investments			504,876	81.4	

Company	Sector	Country	Valuation 2019 ^A £'000	Total assets %	Valuation 2018 £'000
Bangkok Dusit Medical Services 'F'	Health Care Providers & Services	Thailand	5,996	1.0	8,920
China Conch Venture Holdings	Machinery	China	5,703	0.9	7,855
Unilever Indonesia	Household Products	Indonesia	5,508	0.9	5,249
HSBC Holdings	Banks	Hong Kong	5,405	0.9	16,857
Yum China Holdings	Hotels, Restaurants & Leisure	China	5,356	0.9	11,663
Singapore Telecommunications	Diversified Telecommunication Services	Singapore	5,294	0.9	12,049
Taiwan Mobile	Wireless Telecommunication Services	Taiwan	5,207	0.9	6,616
China Merchants Bank 'H'	Banks	China	5,092	0.8	4,015
Indocement Tunggal Prakarsa	Construction Materials	Indonesia	5,030	0.8	3,698
Hero MotoCorp	Automobiles	India	5,024	0.8	7,271
Top fifty investments			558,491	90.2	
Hindustan Unilever	Household Products	India	4,984	0.8	4,360
United Overseas Bank	Banks	Singapore	4,856	0.8	8,368
Standard Chartered	Banks	United Kingdom	4,595	0.7	9,832
Vietnam Technological & Commercial Bank	Banks	Vietnam	4,568	0.7	2,475
Sunny Optical Technology	Electronic Equipment Instruments & Components	China	4,276	0.7	4,250
Public Bank	Banks	Malaysia	4,092	0.7	8,809
Raffles Medical Group	Health Care Providers & Services	Singapore	3,994	0.6	4,316
Bank Rakyat	Banks	Indonesia	3,206	0.5	-
Prestige Estate Projects	Real Estate Management & Development	India	3,132	0.5	-
Koh Young Technology	Semiconductors & Semiconductor Equipment	South Korea	2,852	0.5	4,041
Top sixty investments			599,046	96.7	
Saic Motor Corp 'A'	Automobiles	China	2,694	0.4	3,666
DFCC Bank	Banks	Sri Lanka	2,646	0.4	2,137
Central Pattana Public Co 'F'	Real Estate Management & Development	Thailand	2,636	0.4	2,404
Yoma Strategic Holdings	Real Estate Management & Development	Myanmar	2,415	0.4	2,658
Grasim Industries	Construction Materials	India	1,476	0.2	-
Amorepacific Corp (Pref)	Personal Products	South Korea	916	0.1	4,744
Total investments			611,829	98.6	
Net current assets ^B			8,872	1.4	
Total assets ^C			620,701	100.0	

^A The comparison of valuations was affected by the Tender Offer (see note 14 for further details).

^B Excludes bank loan of £6,000,000.

^C See definition on page 72.

Portfolio Changes in Asset Distributions

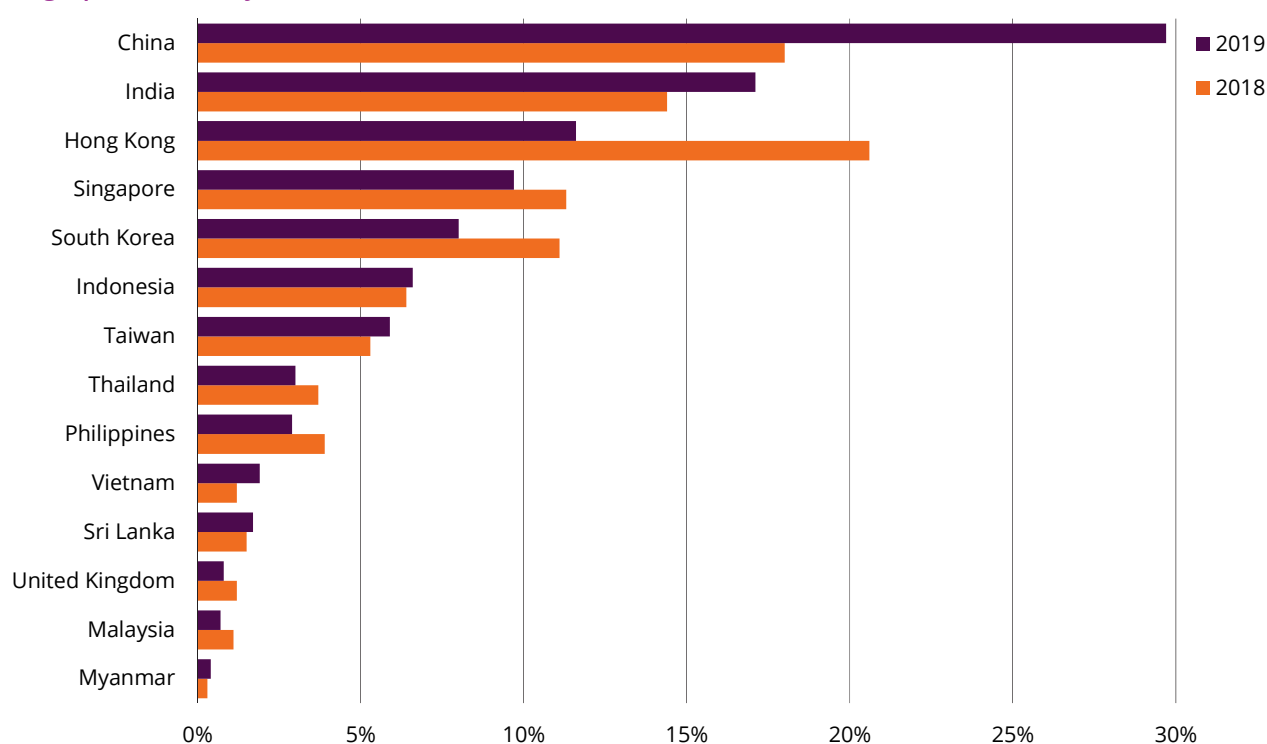
As at 31 August 2019

Country	Value at 31 August 2018 £'000	Purchases £'000	Sales proceeds £'000	Gains/ (losses) £'000	Value at 31 August 2019 £'000
China	187,079	30,452	90,476	54,537	181,592
Hong Kong	124,456	23,689	55,839	(21,402)	70,904
India	115,722	28,357	39,905	658	104,832
Indonesia	51,525	4,846	26,626	10,860	40,605
Malaysia	8,809	-	3,907	(810)	4,092
Myanmar	2,658	-	547	304	2,415
Philippines	31,375	-	14,987	1,697	18,085
Singapore	91,149	2,899	35,134	416	59,330
South Korea	89,517	9,997	36,905	(13,754)	48,855
Sri Lanka	12,407	569	2,564	327	10,739
Taiwan	42,364	5,507	12,330	573	36,114
Thailand	29,477	1,438	13,202	406	18,119
United Kingdom	9,832	-	5,074	(163)	4,595
Vietnam	9,387	4,402	-	(2,237)	11,552
Total investments	805,757	112,156	337,496	31,412	611,829
Net current assets	7,762	-	-	(1,774)	5,988
Total assets less current liabilities	813,519	112,156	337,496	29,638	617,817

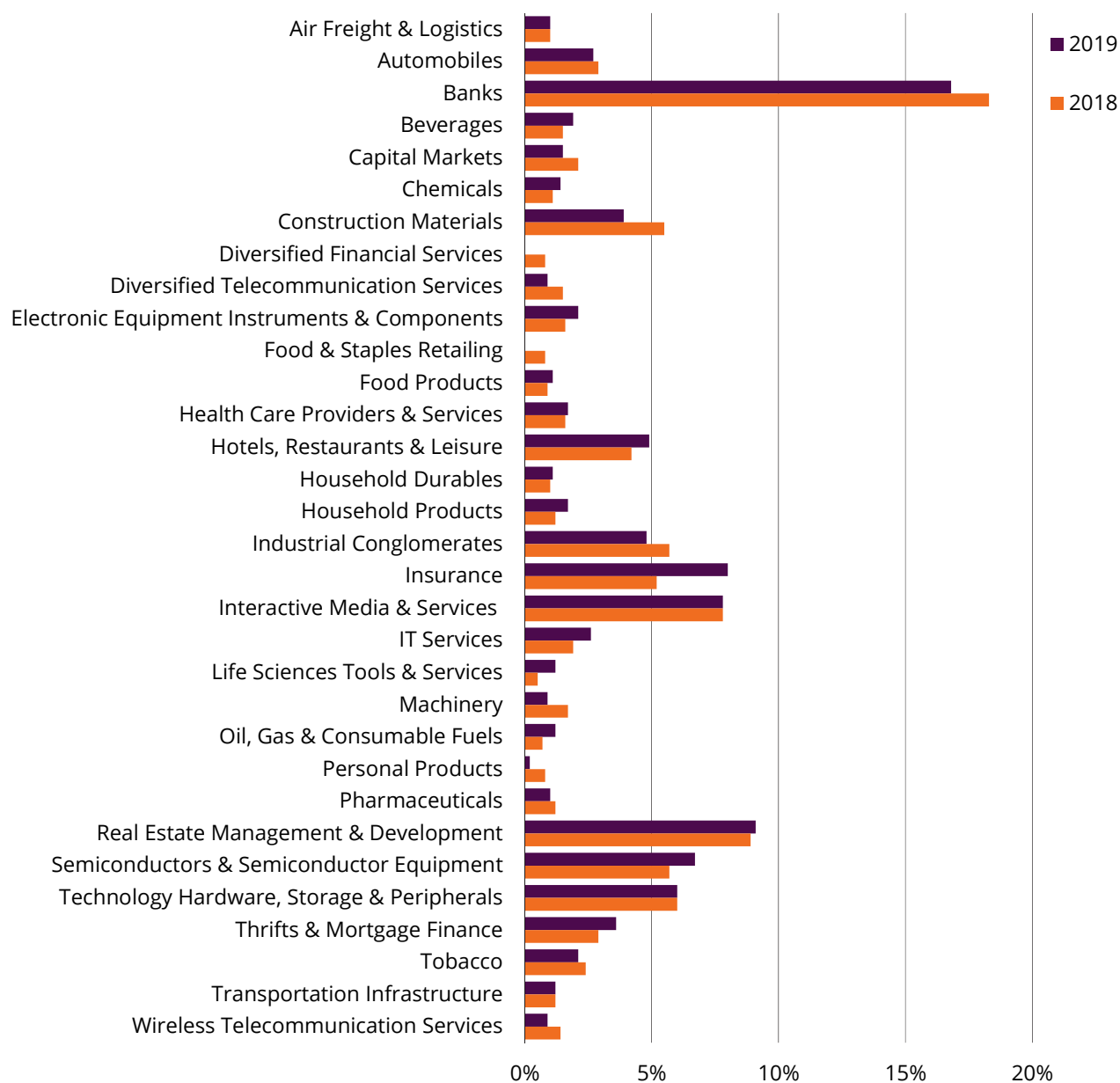
Analysis of Portfolio

As at 31 August 2019

Geographic Summary



Sector Breakdown



Governance

The Company is committed to high standards of corporate governance and applies the principles identified in the UK Corporate Governance Code and the AIC Code of Corporate Governance. The Company is registered as a public limited company and has been approved by HM Revenue & Customs as an investment trust.

All Directors are considered by the Board to be independent of the Manager.

TSMC

TSMC is the world's largest semiconductor foundry, manufacturing 10,436 different products using 261 distinct technologies for 481 different customers in 2018. TSMC's products can be found across a variety of end markets and is very well positioned to benefit from multiple structural growth drivers which include high power computing, artificial intelligence and 5G.

Governance

Your Board of Directors



James Will

Independent Chairman

Length of service: 1 year, appointed on 1 October 2018

Experience: Former Chairman of law firm Shepherd and Wedderburn LLP where he was a senior corporate partner, heading its financial sector practice. He has experience of working with companies in a wide range of industry sectors including financial services, technology, energy and life sciences. He is chairman of The Scottish Investment Trust plc and a non-executive director of Herald Investment Trust plc.



Gaynor Coley

Length of service: Appointed on 3 July 2019

Experience: A chartered accountant with over 30 years' experience in private and public sector finance and governance. She was previously the Director of Public Programmes at the Royal Botanic Gardens Kew, Managing Director of the Eden Project in Cornwall and Director of Finance at Plymouth University. She is a non executive director and the audit committee chairman of Lowland Investment Company and SQN Secured Investment Fund. She is also chairman of The Wave Group Ltd and a partner in Coley Hill Consultancy.



Kathryn Langridge

Length of service: 7 years, appointed on 29 October 2012

Experience: Over 30 years' experience in the investment industry. She is currently head of global emerging markets equity at Manulife Investment Management. She was previously fund management director for global emerging equities at Jupiter Asset Management and head of the global emerging markets team at Lloyd George Management, where she was responsible for developing investment strategy and managing equity portfolios across a range of emerging markets. She also worked at INVESCO Perpetual for 17 years where her roles included head of Asian investments and head of international equity products. She began her career in Asia with Jardine Fleming.



Peter Maynard

Length of service: 8 years, appointed on 12 October 2011

Experience: Qualified as a solicitor and was Group Legal Director at Prudential plc from 1998 to 2009 and Company Secretary from July 1999. Prior to that he was with HSBC for 14 years during which time he was variously a director of HSBC Investment Bank, President and Chief Executive Officer of James Capel Inc in New York and finally Deputy Group Legal Adviser. He is a former chairman of the GC100 and was a supervisory board member of the London Business School Centre for Corporate Governance. He is a non-executive director of Brunner Investment Trust plc.

Governance

Your Board of Directors continued



Iain McLaren

Senior Independent Director, Audit Committee Chairman

Length of service: 9 years, appointed on 6 September 2010

Experience: A chartered accountant and was a partner at KPMG for 27 years, including Senior Partner in Scotland from 1999 to 2004, retiring from the firm in 2008. He is a non-executive director of Ecofin Global Utilities and Infrastructure Trust plc, Jadestone Energy Limited and Wentworth Resources plc. He is a former President of the Institute of Chartered Accountants of Scotland.



Charlie Ricketts

Length of service: 3 years, appointed on 19 April 2016

Experience: Over 30 years' experience within the investment funds arena. Until 2014 he was the head of investment funds at Cenkos Securities, providing equity capital markets services to the fund management industry and to investment trust companies. He was previously a managing director of UBS Investment Bank and head of investment companies. He is a non-executive director of Templeton Emerging Markets Investment Trust PLC and co-founder and CEO of the charity, Carefree Breaks.

Governance

Directors' Report

Capital Structure

At 31 August 2019, the Company had 128,748,848 fully paid Ordinary shares of 20p each (2018: 186,938,409) with a further 30,862,829 Ordinary shares of 20p held in treasury (2018: 28,365,944) in issue. During the year to 31 August 2019, 2,496,885 Ordinary Shares were bought back and held in treasury. A further 55,692,676 Ordinary shares were repurchased by the Company under a Tender Offer for up to 30% of the Company's issued share capital. Further details on the changes to the capital structure during the year ended 31 August 2019 are provided on page 73. Subsequent to the period end a further 584,535 Ordinary shares have been purchased in the market for treasury.

The Ordinary shares carry a right to receive dividends which are declared from time to time by an ordinary resolution of the Company (up to the amount recommended by the Board) and to receive any interim dividends which the Directors may resolve the Company should pay. 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. On a show of hands, every Ordinary shareholder present in person, or by proxy, has one vote and, on a poll, every Ordinary shareholder present in person has one vote for each share held and a proxy has one vote for every share represented.

There are no restrictions concerning the holding or transfer of the Ordinary shares and there are no special rights attached to any of the shares. The Company is not aware of any agreements between shareholders which may result in any restriction on the transfer of shares or the voting rights.

In the event of a winding-up of the Company, the Ordinary shares will rank behind any creditors or prior ranking capital of the Company.

Directors

Biographies of the Directors of the Company are shown on pages 23 to 24. James Will and Gaynor Coley were appointed as non-executive Directors on 1 October 2018 and 3 July 2019 respectively. Allan McKenzie retired from the Board on 3 July 2019 and James Will took over the chairmanship from that date.

Directors' and Officers' Liability Insurance

The Company's articles of association indemnify each of the Directors out of the assets of the Company against any liabilities incurred by them as a Director of the Company in defending proceedings, or in connection with any application to the Court in which relief is granted. In

addition, the Directors have been granted qualifying indemnity provisions by the Company which are currently in force. Directors' and Officers' liability insurance cover has been maintained throughout the year at the expense of the Company.

Dividends

The Directors recommend that a final dividend of 4.75p per Ordinary share (2018: 4.0p) be paid on 17 December 2019 to shareholders on the register on 22 November 2019. The ex-dividend date is 21 November 2019.

Management Agreement

The Company has appointed Aberdeen Standard Fund Managers Limited, a wholly owned subsidiary of Standard Life Aberdeen plc, as its alternative investment fund manager. By way of group delegation agreements within the Standard Life Aberdeen Group the management of the Company's investment portfolio is delegated to Aberdeen Standard Investments (Asia) Limited and company secretarial services and administrative services are provided by Aberdeen Asset Managers Limited.

Details of the management agreement, including the notice period and fees paid to the Standard Life Aberdeen Group companies during the year ended 31 August 2019 are shown in note 4 to the financial statements.

Borrowings

The Company agreed a £50 million loan facility with Scotiabank Europe Plc on 30 July 2019. The facility, which is unsecured, consisted of the following:

- a £25 million loan which was drawn in full on 30 July 2019 and fixed for three years at an all-in rate of 1.610%;
- a three year £25 million multi-currency revolving credit facility of which £6 million was drawn.

The Company's previous £50 million one year loan facility with Scotiabank (Ireland) Designated Activity Company was repaid on 30 July 2019.

Corporate Governance

The Statement of Corporate Governance, which forms part of the Directors' Report, is contained on pages 28 to 32.

Auditor

The respective responsibilities of the Directors and the auditor in connection with the financial statements appear on pages 37 and 41.

Governance

Directors' Report *continued*

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

Substantial Share Interests

At 31 August 2019 the Company had been notified or was aware of the following substantial interests in the Ordinary shares:

Shareholder	Number of Ordinary shares held	% held
City of London Investment Management	27,385,671	21.3
Lazard Asset Management	10,719,081	8.3
Wells Capital Management	9,607,965	7.5
Derbyshire County Council	8,610,000	6.7
Aberdeen Standard Retail Plans	5,447,702	4.2
Rathbones	5,392,242	4.2
1607 Capital Partners	5,060,586	3.9
Investec Wealth & Investment Ltd	4,642,500	3.6
Smith & Williamson Wealth Management	4,225,346	3.3

Subsequent to the year end the Company was notified of the following change:

- City of London Investment Management was interested in 28,342,539 Ordinary shares (representing 22.1% of the issued share capital).

As at the date of this Report, no other changes to the above interests had been notified to the Company.

Annual General Meeting

Among the resolutions being put at the Annual General Meeting of the Company to be held on 12 December 2019, the following resolutions will be proposed:

(i) Section 551 Authority to Allot Shares

Resolution 12, which is an ordinary resolution, will, if approved, give the Directors a general authority to allot new securities up to 33.33% of the Company's issued Ordinary share capital (excluding treasury shares) as at the date of the passing of this resolution (up to a maximum nominal amount of £8.54 million based on the Company's issued share capital as at the date of this Report). Such authority will expire on 28 February 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously

revoked, varied or extended by the Company in general meeting).

(ii) Limited Disapplication of Pre-emption Provisions

Resolution 13, which is a special resolution, seeks to give the Directors power, conditional on Resolution 12 being passed, to allot Ordinary shares and to sell Ordinary shares held in treasury for cash, without first offering them to existing shareholders in proportion to their existing holdings, up to an aggregate nominal value representing 5% of the Company's issued Ordinary share capital as at the date of passing of this resolution (up to a maximum nominal amount of £1.28 million based on the Company's issued share capital as at the date of this Report).

This authority will expire on 28 February 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting).

Pursuant to this power, Ordinary shares would only be issued for cash and treasury shares would only be sold for cash at a premium to the net asset value per share (calculated after the deduction of prior charges at market value).

The Directors consider that the powers proposed to be granted by the above resolutions are necessary to provide flexibility to issue shares should they deem it to be in the best interests of shareholders as a whole.

(iii) Purchase of the Company's own Ordinary shares

Since the Company's last AGM the Company has undertaken share buybacks, the details of which are set out on page 73. Resolution 14, which will be proposed as a special resolution, will renew the Company's authority to make market purchases of its own shares. Shares so repurchased will be cancelled or held in treasury. In respect of the Company's Ordinary shares which it buys back and does not immediately cancel but, instead, holds "in treasury" it may sell such shares (or any of them) for cash (or its equivalent); or ultimately cancel the shares (or any of them).

No dividends will be paid on treasury shares, and no voting rights attach to them.

The maximum number of Ordinary shares which may be purchased pursuant to this authority shall be 14.99% of the issued share capital of the Company as at the date of the passing of the resolution (approximately 19.2 million Ordinary shares). The minimum price which may be paid for an Ordinary

share (exclusive of expenses) shall be 20p (being an amount equal to the nominal value of an Ordinary share). The maximum price for an Ordinary share (again exclusive of expenses) shall be an amount being not more than the higher of (i) 105% of the average of the middle market quotations for the Company's Ordinary shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to an Ordinary share on the trading venue where the purchase is carried out.

This authority, if conferred, will only be exercised if to do so would enhance the net asset value per share and is in the best interests of shareholders generally. This authority will expire on 28 February 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company (unless previously revoked, varied or extended by the Company in general meeting).

(iv) Notice Period for General Meetings

Resolution 15, which will be proposed as a special resolution, seeks the authority from shareholders for the Company to be able to hold general meetings (other than AGMs) on 14 clear days' notice. The approval will be effective until the Company's next Annual General Meeting, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Companies Act 2006 (as amended by the Shareholders' Rights Regulations) before it can call a general meeting on 14 days' notice.

Recommendation

The Directors believe that the resolutions to be proposed at the Annual General Meeting are in the best interests of the Company and its shareholders as a whole, and recommend that shareholders vote in favour of the resolutions, as the Directors intend to do in respect of their own beneficial shareholdings totalling, in aggregate, 39,769 Ordinary shares, and representing 0.03% of the existing issued Ordinary share capital of the Company.

Greenhouse Gas Emissions

The Company can report that it has no greenhouse gas emissions or other emissions producing sources from its operations.

Other Information

The rules concerning the appointment and replacement of Directors, amendments to the articles of association and powers to issue or buy back the Company's shares are contained in the articles of association of the Company and the Companies Act 2006. There are no agreements which the Company is party to that might affect its control following a takeover bid; and there are no agreements between the Company and its Directors concerning compensation for loss of office. Other than the management agreement with the Manager, further details of which are set out on page 25, the Company is not aware of any contractual or other agreements which are essential to its business which ought to be disclosed in the Directors' Report.

The financial risk management objectives and policies arising from its financial instruments and the exposure of the Company to risk are disclosed in note 17 to the Financial Statements.

By order of the Board,
Aberdeen Asset Managers Limited
Secretary

Edinburgh
1 November 2019

Registered office:
1 George Street
Edinburgh EH2 2LL

Company Registration Number:
SC106049

Governance

Statement of Corporate Governance

Compliance

The Company is committed to high standards of corporate governance. The Board is responsible for good governance, and this statement describes how the Company applies the principles identified in the UK Corporate Governance Code published in 2016 (the "UK Code"), which is available on the Financial Reporting Council's website: www.frc.org.uk, throughout the financial year.

The Company is a member of the Association of Investment Companies ("AIC"), which has published its own Code of Corporate Governance to recognise the special circumstances of investment trusts (www.theaic.co.uk) and approved by the FRC.

The Board confirms that, during the year to 31 August 2019, the Company complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below:

1. the role of the chief executive (A.1.2);
2. executive Directors' remuneration (D.1.1 and D.1.2);
3. the need for an internal audit function (C.3.6);
4. external evaluation of the Board of a FTSE 350 company every three years (B.6.2); and
5. composition of Audit Committee to include three non executive Directors (excluding the Chairman) (C.3.1).

For the reasons set out in the AIC Code, and as explained in the UK Code, the Board considers that the first three provisions are not relevant to the position of the Company, being an externally managed investment company. Exceptions 4 and 5 are explained on pages 29 and 30.

The Board

The Board consists of six non-executive Directors. Each Director has the requisite range of business and financial

experience to enable the Board to provide clear and effective leadership and proper stewardship of the Company. Iain McLaren is the Senior Independent Director ("SID") and is available to shareholders in the event that there are concerns that cannot be resolved through discussion with the Chairman.

All Directors are considered to be independent of the Manager and to be free of any material relationship with the Manager which could interfere with the exercise of their independent judgement. Subject both to annual re-election and renewal of the appointment every three years, a Director's tenure of office (including that of the Chairman) will normally be for up to nine years. When making a recommendation for re-electing a Director, the Board will take into account the on-going requirements of the UK Code.

The Board normally meets at least five times each year, and more frequently where business needs require. In addition, there is regular contact between the Directors and the Manager throughout the year. The table below sets out the number of routine Board and Committee meetings attended by each Director during the year compared to the number of meetings that each Director was eligible to attend. Directors also have a number of discussions by email, telephone or meeting to deal with administrative matters and ad hoc issues between scheduled Board meetings.

The Board has overall responsibility for the Company's affairs. It delegates, through a management agreement and specific instructions, the day-to-day management of the Company to the Manager, Aberdeen Standard Fund Managers Limited. The Board has a schedule of matters reserved to it for decision, and the requirement for Board approval on these matters is communicated directly to the senior staff of the Manager. Such matters include overall strategy, review of investment policy, performance, gearing policy, treasury, promotion, Board composition

Director	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Management Engagement Committee Meetings
J Will ¹	5 (5)	n/a	1 (1)	1 (1)
G Coley ² (appointed on 3 July 2019)	1 (1)	1 (1)	n/a	n/a
A McKenzie ^{1 2} (resigned from AC on 17 Dec 2018; retired from Board on 3 July 2019)	5 (5)	1 (1)	1 (1)	1 (1)
K Langridge	5 (5)	n/a	n/a	1 (1)
P Maynard ²	5 (5)	3 (3)	n/a	1 (1)
I McLaren ^{1 2}	5 (5)	3 (3)	1 (1)	1 (1)
C Ricketts ² (appointed to AC on 17 Dec 2018)	5 (5)	2 (2)	n/a	1 (1)

¹ Member of Remuneration Committee ² Member of Audit Committee

(there is no separate Nominations Committee), corporate governance policy and communications with shareholders.

Full and timely information is provided to the Board to enable the Directors to function effectively and to discharge their responsibilities. The Board also reviews the financial statements and revenue budgets.

No contract or arrangement subsisted during the period in which any of the Directors was materially interested. The Board monitors on a regular basis the direct and indirect interests of each Director and has concluded that there were no situations which gave rise to an interest of a Director which conflicted with the interests of the Company. The Board adopts a zero-tolerance approach to bribery and corruption and has implemented appropriate procedures designed to prevent bribery.

It is the Company's policy to conduct all of 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.

Directors' Time Commitments

The Company has a policy of ensuring that all non-executive directors of the Company have sufficient time to commit to the respective duties and responsibilities applicable to their particular Board roles.

When making new appointments, the Board takes into account other demands on potential candidates' time and prior to appointment any significant commitments are disclosed with an indication of the time involved. In the year under review the Board assessed the time commitment of each individual Director on external appointments. Each Director's aggregate time commitment is discussed with him or her as part of the annual appraisal process.

In the year under review, all Directors were considered to have sufficient time to commit to their respective roles on the Board, taking account of their external appointments. If at any time any Director wishes to accept an additional significant external appointment, the prior approval of the Board is first required. In considering whether to grant such approval, the Board will in particular consider the Director's other time commitments and any potential conflicts of interest.

Biographical details for each of the Directors, including their significant external appointments, can be found on pages 23 to 24.

Performance Evaluation

An appraisal of each Director, including the Chairman, and of the operation of the Board and its Committees, was undertaken during the year. The Chairman's performance assessment was led by the Senior Independent Director. The Board also reviewed the Chairman's and Directors' other commitments. The Board is satisfied that each Director's performance continues to be effective, and that each remains fully committed to the Company. The Company has not been a constituent of the FTSE 350 from March 2019 onwards and, as such, an external evaluation of the Board was not undertaken during the financial year.

Succession Planning

In line with the Company's strong commitment to its corporate governance responsibilities, the Board regularly reviews its performance and structure to ensure it has the correct mix of relevant skills, diversity and experience for the effective conduct of the Company's business to complement the existing composition of the Board whilst having due regard for the benefits of diversity, including gender, on the Board.

New Board appointments are identified against the requirements of the Company's business and the need to have a balanced Board and are routinely facilitated by an external search consultant to ensure that a wide range of candidates can be considered. Following a review of its composition and, taking into account succession plans, the Board used the services of Fletcher Jones to identify potential candidates for two new Board appointments. This resulted in the appointment of James Will on 1 October 2018 and Gaynor Coley on 3 July 2019.

The Board has implemented the provisions of the UK Code whereby all Directors of the Company will stand for re-election on an annual basis. The Board has reviewed the skills and experience of each Director, and supports their re-election.

New Directors are given appropriate induction from the Manager covering legal responsibilities, the Manager's operations and investment trust industry matters. All Directors are entitled to receive appropriate and relevant training. If necessary, there is a procedure for a Director to take independent professional advice at the Company's expense.

Remuneration Committee

The Remuneration Committee, which comprised James Will, Iain McLaren and Allan McKenzie, is responsible for determining the level of Directors' fees, having regard to external sources. The terms of reference are available on request and on the Company's website. Further

Governance

Statement of Corporate Governance continued

information may be found in the Directors' Remuneration Report.

Internal Control and Risk Management

The Board is responsible for the Company's system of internal control and has reviewed the effectiveness of the Company's risk management and internal control systems. The Board confirms that there is an ongoing and robust process for identifying, evaluating and managing the significant risks faced by the Company which include financial, operational, compliance and reputational risks.

Under the Management Agreement, the management of the Company's assets has been delegated to the Manager within overall guidelines. Risks are identified and documented through a risk management framework by each function within the Manager's activities. The internal control systems operated by the Manager are monitored and supported by an 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. 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.

This process has been in place for the year under review and up to the date of approval of this annual report and accounts. It is regularly reviewed by the Board and accords with the Financial Reporting Council's Guidance on Internal Controls.

In addition, the Board has adopted its own risk matrix which identifies the key risks for the Company and covers strategy, investment management, operations, regulatory and financial obligations and third party service providers. A monitoring system is undertaken whereby the controls to mitigate these risks, and the impact of the residual risks, are assessed on a regular basis. Details of the principal risks faced by the Company are provided in Overview of Strategy on pages 9 and 10.

The key components designed 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 emphasis is on obtaining the relevant degree of assurance and not merely reporting by exception;
- The Board and the 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 as appropriate;

- As a matter of course, the Manager's risk management department, including compliance and internal audit functions, continually reviews the Manager's operations.
- Written agreements are in place, which specifically define the roles and responsibilities of the Manager and other third party service providers;
- The Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the Manager, has decided to place reliance on the Manager's risk management systems and internal audit procedures; and
- The Audit Committee carried out bi-annual reviews of the Manager's risk management and internal controls, including the internal audit and compliance functions. At its October 2019 meeting, the Audit Committee performed its annual assessment of internal controls for the year ended 31 August 2019 and taking account of events since 31 August 2019. The results of the assessment were reported to the Board.

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 material misstatement or loss.

Audit Committee Report

Membership and Responsibilities

The members of the Audit Committee (the "Committee") are Iain McLaren (Chairman), Gaynor Coley (appointed on 3 July 2019), Peter Maynard and Charlie Ricketts (appointed 17 December 2018) who are all deemed to be independent. Allan McKenzie, who was a member of the Committee until 17 December 2018, was deemed to be independent. For the period 1 September to 17 December 2018, the Committee comprised two independent non-executive directors, excluding the Chairman.

Two members of the Committee are chartered accountants and the Committee is satisfied that it has the necessary recent and relevant financial experience and competence relevant to the investment trust sector in order to fulfil its responsibilities. The Committee meets three times a year and considers reports from the external auditor, depositary and the Manager's risk management functions, including internal audit and compliance. The terms of reference of the Committee, which are available on request and on the Company's website, are reviewed and re-assessed on an annual basis. The main responsibilities of the Committee are:

- to review the half yearly and annual financial statements of the Company, the accounting policies applied therein and to ensure compliance with financial and regulatory reporting requirements.
- to assess whether the annual report and accounts, taken as a whole, is fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.
- to meet with the external auditor to review their proposed audit programme of work and the findings of the auditor. The Committee also uses this as an opportunity to assess the effectiveness of the audit process.
- to develop and implement policy on the engagement of the external auditor to supply non-audit services.
- to make recommendations to the Board in relation to the appointment of the external auditor and to approve the remuneration and terms of engagement of the external auditor.
- to monitor and review annually the external auditor's independence, objectivity, effectiveness, resources and qualification.
- to review and monitor the internal control systems and risk management systems (including non financial risks) on which the Company is reliant.
- to consider annually whether there is a need for the Company to have its own internal audit function.
- to review the arrangements in place within the Manager whereby staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters ('whistleblowing').

Significant Accounting Issues

The significant accounting issue considered by the Committee during the year in relation to the Company's financial statements was the valuation, existence and ownership of investments. All investments are in quoted securities in active markets, are considered to be liquid and have been categorised as Level 1 within the FRS 102 fair value hierarchy. The investments are valued using independent pricing sources, in accordance with the stated accounting policies. The portfolio holdings are reviewed and verified by the Manager on a regular basis and existence is verified through custodian reconciliations. The Committee reviews reports from the Manager to ensure that internal controls over the Company's investments are adequate. The audit includes independent confirmation of the existence of all investments from the Company's depository and the valuation of investments to external price sources.

Other Accounting Issues

The Company's compliance with investment trust status, under section 1158 of the Corporation Tax Act 2010, is

monitored by the Manager on an ongoing basis and reported to the Committee.

Review of Auditor

The Committee has reviewed the independence and the effectiveness of the external auditor, KPMG LLP ("KPMG"), as follows:

- The external auditor reports on an annual basis the steps it takes to ensure its independence and objectivity and confirms that it has complied with the relevant UK independence guidelines. The level of fees for non-audit services provided by the auditor is assessed and for the year to 31 August 2019 were £4,800 (2018 - £4,800) which related to the review of the half yearly report. The Board will review any future non-audit fees in the light of the requirement to maintain the auditor's independence.
- The Committee considers the experience, continuity and tenure of the external audit team, including the audit director. The audit team consists of suitably experienced staff with knowledge of the investment trust sector and there is a process in place for the rotation of the audit partner.
- The Committee assesses the level of audit service annually.

The audit plan is reviewed well in advance and subsequent audit findings are reported comprehensively in a timely manner and are resolved satisfactorily. The auditor has a constructive working relationship with both the Board and the Manager.

Under company law, listed companies are required to tender the external audit every 10 years. Under transitional arrangements, KPMG will be required to resign as auditor after completion of the audit for the year ended 31 August 2020. Following an audit tender process undertaken in October 2019, the Committee have selected PWC as the Company's successor auditor and will formally appoint them in due course.

KPMG has held office as auditor for over 25 years and the Committee is satisfied that KPMG remains independent and effective. The audit partner is rotated at least every five years, in accordance with professional guidelines. The current audit partner from KPMG was appointed for the 2017 year end audit.

Going Concern

The Directors believe that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements.

The Company's assets consist substantially of equity shares in companies listed on recognised stock exchanges

and in normal circumstances are realisable within a short timescale. The Board has set limits for borrowing and regularly reviews compliance with banking covenants. The Directors believe that, after making enquiries, the Company has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of this Report. Shareholders are given the opportunity to vote on the continuation of the Company every three years. The last continuation vote held in December 2018 was passed.

Management Engagement Committee

The Management Engagement Committee, which comprises all the Directors, reviews the performance of the Manager and its compliance with the management agreement.

The terms of reference, which are available on request and on the Company's website, are reviewed on an annual basis. The Committee keeps the resources of the Manager under constant review, conducts an annual review of the terms and conditions of the management agreement ("Agreement") and undertakes an evaluation of the Manager's performance under this Agreement. In monitoring the performance of the Manager, the Board reviews the investment performance, management processes, risk control mechanisms and promotional activities of the Manager.

As a result of these reviews, the Board concluded that the Manager has the investment management, promotional, secretarial and administrative skills required for the effective operation of the Company although the performance of the Manager remains under close review. The Board believes that the Manager has satisfactorily met the terms of the management agreement with the Company, and considers that the continuing appointment of the Manager is in the interests of the Company and its shareholders.

Relations with Shareholders

The Directors place great importance on communication with shareholders. Besides shareholders, the report and accounts are widely distributed to other parties who have an interest in the Company's performance. Shareholders and potential investors may obtain up-to-date information on the Company through the Manager's freephone information service, and the Company responds to letters from shareholders on a wide range of issues. The Company's annual and half-yearly reports and other publications can be downloaded from the Company's website, www.asiadragontrust.co.uk.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of the management group (either the Company Secretary or the Manager) in situations where direct communication is required. The Chairman meets with representatives of the major shareholders during the financial year on an annual basis in order to gauge their views. The Manager maintains regular contact with institutional shareholders and feeds back shareholder views to the Board.

It is the intention of the Board that, in the ordinary course, the notice of the Annual General Meeting included within the annual report and accounts is normally sent out at least 20 working days in advance of the meeting. All Directors intend to be available at the forthcoming Annual General Meeting, and shareholders are encouraged to attend. Proxy voting figures for each resolution are announced to the meeting after voting on a show of hands.

UK Stewardship Code and Proxy Voting as an Institutional Shareholder

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 Investment Manager.

The full text of the Company's response to the Stewardship Code may be found on the Company's website.

Socially Responsible Investment Policy

The Directors, through the Manager, encourage companies in which investments are made to adhere to best practice in the area of Corporate Governance and Socially Responsible Investing. They believe that this can best be achieved by entering into a dialogue with company management to encourage them, where necessary, to improve their policies in both areas.

The Manager's ultimate objective, however, is to deliver superior investment return for their clients. Accordingly, whilst the Manager will seek to favour companies which pursue best practice in these areas, this must not be to the detriment of the return on the investment portfolio.

Governance

Directors' Remuneration Report

The Board has prepared this Remuneration Report in accordance with the regulations governing the disclosure and approval of Directors' remuneration. This Remuneration Report comprises three parts:

- (i) A Remuneration Policy, set out below, which was last approved by shareholders at the 2017 AGM. This policy is subject to a vote every three years. Any change to this policy during this interval would require shareholder approval;
- (ii) An annual Implementation Report, which provides information on how the Remuneration policy has been applied during the year and will be subject to an advisory vote at the AGM; and
- (iii) An Annual Statement.

The law requires the Company's auditor to audit certain of the disclosures provided in the Remuneration Report. Where disclosures have been audited, they are indicated as such. The auditor's opinion is included in the report on page 40.

Remuneration Policy

The Remuneration Policy takes into consideration the principles of the UK Code of Corporate Governance and the AIC's recommendations regarding the application of those principles to investment companies. Directors' remuneration is determined by the Remuneration Committee. The principles remain the same as for previous years. There have been no changes to the Directors' Remuneration Policy during the period of this Report nor are there any proposals for changes in the foreseeable future, except for the Directors' fees, as set out in the Implementation Report below.

The Board's policy is that the remuneration of non-executive Directors should reflect the nature of their duties, responsibilities and the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, have a similar capital structure and have a similar investment objective. No shareholder views were sought in setting the remuneration policy although any comments received from shareholders would be considered on an on-going basis. Fee rates are established by having regard to external sources as to current market levels.

Directors' fees

The Directors are non-executive and their fees are set within the limits of the Company's articles of association which limit the aggregate fees payable to the Board of Directors per annum, currently £250,000. The level of cap may be increased by shareholder resolution from time to time.

	1 September 2019 £	1 September 2018 £
Chairman	40,800	39,800
Chairman of Audit Committee	31,700	30,900
Member of Audit Committee and Board	29,600	28,800
Member of Board only	27,300	26,600
Additional fee for SID	1,000	1,000

Appointment

- The Company only intends to appoint non-executive Directors under the terms of Letters of Appointment.
- Directors must retire and be subject to re-election at the first AGM after their appointment and annually thereafter.
- New appointments to the Board will be placed on the fee applicable to all Directors at the time of appointment.
- No incentive or introductory fees will be paid to encourage a directorship.
- The Directors are not eligible for bonuses, pension benefits, share options, long term incentive schemes or other benefits.
- The Company indemnifies its Directors for costs, charges, losses, expenses and liabilities which may be incurred in the discharge of duties, as a Director of the Company.
- The Directors are entitled to re-imbursement of out-of-pocket expenses incurred in connection with the performance of their duties, including travel expenses.

Performance, Service Contracts, Compensation and Loss of Office

- The Directors' remuneration is not subject to any performance related fee.
- No Director has a service contract.
- No Director was interested in contracts with the Company during the period or subsequently.
- The terms of appointment provide that a Director may be removed without notice.
- Compensation will not be due upon leaving office.
- No Director is entitled to any other monetary payment or any assets of the Company.

Directors' & Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

Implementation Report

Directors' Fees

During the financial year the Board carried out a review of Directors' fees and increased the rates as shown in the table on the following page with effect from 1 September

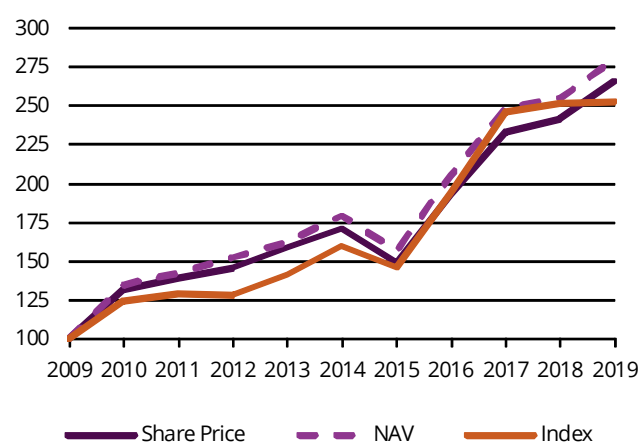
Governance

Directors' Remuneration Report continued

2019. The last increase in Directors' fees prior to this was effective from 1 September 2016.

Company Performance

During the year the Board carried out a review of investment performance. The graph below shows the share price and NAV total return (assuming all dividends are reinvested) to Ordinary shareholders compared to the total return from a composite index, in Sterling terms, consisting of the MSCI All Country Asia (ex Japan) Index for the ten year period to 31 August 2019 (rebased to 100 at 31 August 2009). This index was chosen for comparison purposes, as it is the reference index used for investment performance measurement purposes.



Statement of Voting at General Meeting

At the Company's last AGM, held on 17 December 2018, shareholders approved the Directors' Remuneration Report (other than the Directors' Remuneration Policy) in respect of the year ended 31 August 2018. 99.83% of proxy votes were in favour of the resolution, 0.13% were against and 0.04% abstained.

At the Company's AGM, held on 12 December 2017, shareholders approved the Directors' Remuneration Policy with 99.83% of proxy votes in favour, 0.14% against and 0.03% abstained.

A resolution to approve the Directors' Remuneration Report (excluding the Directors' Remuneration Policy) in respect of the year ended 31 August will be proposed at the Annual General Meeting.

Spend on Pay

As the Company has no employees, the Directors do not consider it appropriate to present a table comparing remuneration paid to employees with distributions to shareholders.

The total fees paid to Directors are shown below.

Fees Payable (audited)

The Directors who served in the year received the following fees which exclude employers' NI and any VAT payable. This represents the entire remuneration paid to the Directors.

Fees are pro-rated where a change takes place during a financial year. No fees were paid to third parties.

Director	2019 £	2018 £
J Will ¹	26,477	n/a
G Coley (appointed on 3 July 2019)	4,800	n/a
K Langridge	26,600	26,600
P Maynard	28,800	28,800
I McLaren	31,900	31,900
C Ricketts	28,155	26,600
A McKenzie (retired 3 July 2019)	33,488	39,800
Total	180,220	153,700

¹ appointed on 1 Oct 2018 and took over chair on 3 July 2019

Directors' Interests in the Company (audited)

The Directors (including their connected persons) at 31 August 2019 and 31 August 2018 had no interest in the share capital of the Company other than those interests, all of which are beneficial interests, shown in the table below.

	31 August 2019 Ordinary shares	31 August 2018 Ordinary shares
J Will	10,000	n/a
G Coley	Nil	n/a
K Langridge	5,000	5,000
P Maynard	2,500	2,500
I McLaren	17,269	17,091
C Ricketts	5,000	5,000
A McKenzie ¹	34,291 ¹	34,291

¹ holding at date of retirement from Board

The above interests were unchanged as at the date of this Report.

Annual Statement

On behalf of the Board and in accordance with Part 2 of Schedule 8 of the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, I confirm that the above Report on Remuneration Policy and Remuneration Implementation summarises, as applicable, for the year to 31 August 2019:

-
- the major decisions on Directors' remuneration;
 - any substantial changes relating to Directors' remuneration made during the year; and
 - the context in which the changes occurred and in which decisions have been taken.

The Directors' Remuneration Report was approved by the Board of Directors and signed on its behalf by:

James Will
Chairman
1 November 2019



Financial statements

The Company's NAV per share rose by 9.8% for the year ended 31 August 2019 compared to a rise in the benchmark of 0.3% (all figures in sterling total return terms).

Aberdeen Standard Investments' Singapore office is its regional Asian headquarters, with oversight of activity in the 10 countries where ASI has a presence in Asia, including Australia. The Manager has been investing in the region for over 25 years and is one of the largest managers of Asian equities globally.

Financial Statements

Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they are required to prepare the financial statements in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

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

Responsibility statement of the Directors in respect of the annual financial report

We confirm that to the best of our knowledge:

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Strategic report /Director's report include a fair review of the development and performance of the business and the position of the issuer, together with a description of the principal risks and uncertainties that they face.

We consider the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

For Asia Dragon Trust plc
James Will
Chairman

1 November 2019

Financial Statements

Independent Auditor's Report to the Members of Asia Dragon Trust plc (formerly Edinburgh Dragon Trust plc)

1. Our opinion is unmodified

We have audited the financial statements of Asia Dragon Trust plc ("the Company") for the year ended 31 August 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and the related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 August 2019 and of its return for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the audit committee.

We were appointed as auditor by the shareholders prior to 1988. The period of total uninterrupted engagement is at least the 31 financial years ended 31 August 2019. We have fulfilled our ethical responsibilities under, and we remain independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matter (unchanged from 2018), in arriving at our audit opinion above, together with our key audit procedures to address this matter and, as required for public interest entities, our results from those procedures. This matter was addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on this matter.

Carrying amount of listed investments

(£611.8m; 2018: £805.8m)

Refer to page 31 (Audit Committee Report), page 47 (accounting policy) and page 54 (financial disclosures).

Low risk, high value

The Company's portfolio of listed investments makes up 98.08% of the Company's total assets (by value) and is considered to be the key driver of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, listed investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.

Our procedures included:

- **Tests of detail:** Agreeing the valuation of 100 per cent of investments in the portfolio to externally listed prices; and
- **Enquiry of custodians:** Agreeing 100 per cent of investment holdings in the portfolio to independently received third party confirmations from investment custodians.

Our results: We found the carrying amount of listed investments to be acceptable (2018: acceptable).

3 Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £6.2m (2018: £8.1m), determined with reference to a benchmark of total assets, of which it represents 1% (2018: 1%).

We agreed to report to the Audit Committee any uncorrected identified misstatements exceeding £310,000 (2018: £408,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed at KPMG LLP in Glasgow.

4 We have nothing to report on going concern

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Directors' conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Company will continue in operation.

In our evaluation of the Directors' conclusions, we considered the inherent risks to the Company's business model, including the impact of Brexit, and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if:

- we have anything material to add or draw attention to in relation to the Directors' statement in Note 2a to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Company's use of that basis for a period of at least twelve months from the date of approval of the financial statements; or
- the related statement under the Listing Rules set out on pages 31 to 32 is materially inconsistent with our audit knowledge.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5 We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and Directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the Directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

Independent Auditor's Report to the Members of Asia Dragon Trust plc (formerly Edinburgh Dragon Trust plc) continued

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Directors' remuneration report

In our opinion the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006.

Disclosures of principal risks and longer-term viability

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the Directors' confirmation within the Viability Statement on page 11 that they have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity;
- the Principal Risks and Uncertainties disclosures describing these risks and explaining how they are being managed and mitigated; and
- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Company, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

Under the Listing Rules we are required to review the Viability Statement. We have nothing to report in this respect.

Our work is limited to assessing these matters in the context of only the knowledge acquired during our financial statements audit. As we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgments that were reasonable at the time they were made, the absence of anything to report on these statements is not a guarantee as to the Company's longer-term viability.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the Directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.

We are required to report to you if the Corporate Governance Statement does not properly disclose a departure from the eleven provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

6 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

7 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 37, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or other irregularities (see below), or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Irregularities – ability to detect

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the Directors, the manager and the administrator (as required by auditing standards), and discussed with the Directors and the manager the policies and procedures regarding compliance with laws and regulations. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), and its qualification as an Investment Trust under UK tax legislation, any breach of which could lead to the Company losing various deductions and exemptions from UK corporation tax, and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: the Listing Rules and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and management and inspection of regulatory and legal correspondence, if any. These limited procedures did not identify actual or suspected non-compliance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Independent Auditor's Report to the Members of Asia Dragon Trust plc (formerly Edinburgh Dragon Trust plc) continued

8 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Waterson (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
319 St Vincent Street
Glasgow
G2 5AS

1 November 2019

Statement of Comprehensive Income

	Notes	Year ended 31 August 2019			Year ended 31 August 2018		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	10	-	31,412	31,412	-	2,064	2,064
Currency losses		-	(1,938)	(1,938)	-	(167)	(167)
Income	3	14,244	-	14,244	18,299	-	18,299
Investment management fee	4	(4,272)	-	(4,272)	(5,296)	-	(5,296)
Administrative expenses	5	(1,040)	-	(1,040)	(1,211)	-	(1,211)
Net return before finance costs and taxation		8,932	29,474	38,406	11,792	1,897	13,689
Interest payable and similar charges	6	(466)	-	(466)	(1,137)	-	(1,137)
Return before taxation		8,466	29,474	37,940	10,655	1,897	12,552
Taxation	7	(1,045)	(458)	(1,503)	(1,085)	(1,326)	(2,411)
Return after taxation		7,421	29,016	36,437	9,570	571	10,141
Return per share (pence)							
Basic	9	4.87	19.03	23.90	5.03	0.30	5.33
Diluted	9	n/a	n/a	n/a	n/a	0.29	5.61

The total column of this statement represents the profit and loss account of the Company.

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

The accompanying notes on pages 47 to 63 are an integral part of the financial statements.

Financial Statements

Statement of Financial Position

	Notes	As at 31 August 2019 £'000	As at 31 August 2018 £'000
Non-current assets			
Investments at fair value through profit or loss	10	611,829	805,757
Current assets			
Debtors and prepayments	11	1,818	2,185
Cash and cash equivalents	12	10,170	8,775
		11,988	10,960
Creditors: amounts falling due within one year			
Bank loan	13(a)	(6,000)	(25,500)
Other creditors	13(b)	(1,332)	(3,198)
		(7,332)	(28,698)
Net current assets/(liabilities)		4,656	(17,738)
Creditors: amounts falling due after more than one year			
Bank loan	13(c)	(24,993)	-
Deferred tax liability on Indian capital gains	13(d)	(1,784)	-
		(26,777)	-
Net assets		589,708	788,019
Share capital and reserves			
Called-up share capital	14	31,922	43,061
Share premium account		60,416	60,416
Capital redemption reserve		28,154	17,015
Capital reserve	15	431,945	630,239
Revenue reserve		37,271	37,288
Equity shareholders' funds		589,708	788,019
Net asset value per Ordinary share (pence)			
Basic and diluted	16	458.03	421.54

The financial statements were approved by the Board of Directors and authorised for issue on 1 November 2019 and were signed on its behalf by:

James Will
Chairman

The accompanying notes on pages 47 to 63 are an integral part of the financial statements.

Financial Statements

Statement of Changes in Equity

	Notes	Share capital £'000	Share premium account £'000	Equity component CULS 2018 £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2018		43,061	60,416	-	17,015	630,239	37,288	788,019
Return after taxation		-	-	-	-	29,016	7,421	36,437
Buyback of Ordinary shares for treasury	14	-	-	-	-	(9,347)	-	(9,347)
Buyback of Ordinary shares for cancellation as a result of the Tender Offer	13,14	(11,139)	-	-	11,139	(217,963)	-	(217,963)
Dividend paid	8	-	-	-	-	-	(7,438)	(7,438)
Balance at 31 August 2019		31,922	60,416	-	28,154	431,945	37,271	589,708

For the year ended 31 August 2018

	Notes	Share capital £'000	Share premium account £'000	Equity component CULS 2018 £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2017		40,180	18,618	238	17,015	697,550	33,729	807,330
Return after taxation		-	-	-	-	571	9,570	10,141
Issue of new Ordinary shares from conversion of 3.5% Convertible Unsecured Loan Stock 2018	13	2,881	41,798	-	-	-	-	44,679
Buyback of Ordinary shares for treasury	14	-	-	-	-	(67,882)	-	(67,882)
Dividend paid		-	-	-	-	-	(6,249)	(6,249)
Transfer of notional interest element on 3.5% Convertible Unsecured Loan Stock 2018	6	-	-	(238)	-	-	238	-
Balance at 31 August 2018		43,061	60,416	-	17,015	630,239	37,288	788,019

The capital reserve includes investment holding gains amounting to £199,349,000 (2018 – £265,721,000), as disclosed in note 10.

The Revenue reserve and the part of the Capital reserve represented by realised capital gains represent the amount of the Company's reserves distributable by way of dividend.

The accompanying notes on pages 47 to 63 are an integral part of the financial statements.

Financial Statements

Statement of Cash Flows

		Year ended 31 August 2019 £'000	Year ended 31 August 2018 £'000
	Notes		
Operating activities			
Net return before taxation		37,940	12,552
Adjustment for:			
Gains on investments		(31,412)	(2,064)
Currency (gains)/losses		(1,353)	292
Decrease in accrued dividend income		497	1,014
(Increase)/decrease in other debtors		(27)	1
(Decrease)/increase in other creditors		(267)	802
Interest payable and similar charges	6	466	1,137
Scrip dividends included in investment income		(548)	(685)
Overseas withholding tax		(1,163)	(2,425)
Cash from operations		4,133	10,624
Interest paid	6	(476)	(873)
Net cash inflow from operating activities		3,657	9,751
Investing activities			
Purchases of investments		(111,885)	(176,034)
Sales of investments		337,511	214,694
Net cash inflow from investing activities		225,626	38,660
Financing activities			
Equity dividends paid	8	(7,438)	(6,249)
Buyback of Ordinary shares		(9,347)	(67,882)
Tender Offer for Ordinary shares inclusive of expenses		(217,949)	-
Repayment of bank loan		(25,500)	-
Drawdown of bank loan		30,993	25,500
Net cash used in financing activities		(229,241)	(48,631)
Increase/(decrease) in cash and cash equivalents		42	(220)
Analysis of changes in cash and cash equivalents during the year			
Opening balance		8,775	9,287
Effect of exchange rate fluctuations on cash held		1,353	(292)
Increase/(decrease) in cash and cash equivalents as above		42	(220)
Closing cash and cash equivalents		10,170	8,775

The accompanying notes on pages 47 to 63 are an integral part of the financial statements.

Financial Statements

Notes to the Financial Statements

For the year ended 31 August 2019

1. Principal activity

The Company is a closed-end investment company, registered in Scotland No SC106049, with its Ordinary shares being listed on the London Stock Exchange.

2. Accounting policies

(a) Basis of accounting

The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the guidance set out in the Statement of Recommended Practice: Financial Statements of Investment Trust Companies and Venture capital Trusts issued in November 2014 and updated in February 2018 with consequential amendments (applicable for accounting periods beginning on or after 1 January 2019 but adopted early). 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, on the assumption that approval as an investment trust will continue to be granted.

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Statement of Corporate Governance (unaudited) on page 31.

Key Accounting Judgements

The Company's investments are made in a number of currencies, however the Board considers the Company's functional currency to be Sterling. In arriving at this conclusion, the Board considered that the shares of the Company are listed on the London Stock Exchange, it is regulated in the United Kingdom, principally having its shareholder base in the United Kingdom, draws down borrowings, pays dividends and expenses in Sterling. Consequently, the Board also considers the Company's presentational currency to be Sterling.

(b) Investments

Listed investments have been designated upon initial recognition as held at fair value through profit or loss. Investments are recognised and de-recognised on the trade date at fair value, which is generally deemed to be the cost of the investment at that point. Subsequent to initial recognition, investments are valued at fair value, which for listed investments is deemed to be bid market prices or closing prices for SETS (London Stock Exchange's electronic trading service) stocks sourced from the London Stock Exchange. Gains and losses arising from changes in fair value are included as a capital item in the Income Statement and are ultimately recognised in the capital reserve.

(c) Income

Dividends (other than special 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. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the foregone cash dividend is recognised as income. Any excess in the value of the shares received over the amount of cash dividend foregone is recognised in capital reserves. Interest receivable on bank balances is dealt with on an accruals basis.

Financial Statements

Notes to the Financial Statements continued

(d) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income with the exception of expenses directly relating to the acquisition or disposal of an investment, in which case, they are added to the cost of the investment or deducted from the sale proceeds. Such transaction costs are disclosed in accordance with the SORP. These expenses are charged to the capital column of the Statement of Comprehensive Income and are separately identified and disclosed in note 10.

(e) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. Tax payable is based on the taxable profit for the year. Taxable profit differs from profit before tax 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 have been enacted or substantively enacted by the Statement of Financial Position date.

Deferred tax is recognised in respect of all temporary differences 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 temporary differences can be deducted. Deferred tax assets and liabilities are measured at the rates applicable to the legal jurisdictions in which they arise, using enacted tax rates that are expected to apply at the date the deferred tax position is unwound.

(f) Nature and purpose of reserves

Called-up share capital

The Ordinary share capital on the Statement of Financial Position relates to the number of shares in issue and in treasury. Only when the shares are cancelled, either from treasury or directly, is a transfer made to the capital redemption reserve. This reserve is not distributable.

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 20p. This reserve is not distributable.

Capital redemption reserve

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

Capital reserve

This reserve reflects any gains or losses on investments realised in the period along with any increases and decreases in the fair value of investments held that have been recognised in the Statement of Comprehensive Income. This reserve is not distributable except for the purpose of funding share buybacks to the extent that gains are deemed realised.

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

(g) Foreign currency

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling on the reporting date. Transactions involving foreign currencies are converted at the rate ruling on the date of the transaction. Gains and losses on the realisation of foreign currencies are recognised in the Statement of Comprehensive Income and are then transferred to the capital reserve. Unrealised and realised gains and losses on foreign currency movements on investments held through profit or loss are recognised in the capital column of the Statement of Comprehensive Income.

(h) Dividends payable

Final dividends are dealt with in the period in which they are paid.

(i) 3.5% Convertible Unsecured Loan Stock 2018

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 was estimated by assuming that an equivalent non-convertible obligation of the Company would have a coupon rate of 4.662%. The notional uplift in interest from 3.5% to 4.662% is shown in note 6. 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.

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.

The interest expense on the CULS was calculated according to the effective interest rate method by applying the assumed rate of 4.662% at initial recognition to the liability component of the instrument. The difference between this amount and the interest paid was added to the carrying liability of the CULS.

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

When CULS were repurchased for cancellation, the fair value of the liability at the redemption date was compared to its carrying amount, giving rise to a gain or loss on redemption that was recognised through profit or loss. The amount of consideration allocated to equity was recognised in equity with no gain or loss being recognised.

(j) Treasury shares

When the Company purchases its Ordinary shares to be held in treasury, the amount of the consideration paid, which includes directly attributable costs, is net of any tax effect, and is recognised as a deduction from the capital reserve. When these shares are sold subsequently, the amount received is recognised as an increase in equity, and any resulting surplus on the transaction is transferred to the share premium account and any resulting deficit is transferred from the capital reserve.

(k) Cash and cash equivalents

Cash comprises cash at bank and in hand. Cash equivalents are short-term, highly-liquid investments that are readily convertible to known amounts of cash, and that are subject to an insignificant risk of changes in value.

Financial Statements

Notes to the Financial Statements continued

	2019 £'000	2018 £'000
3. Income		
Income from investments		
UK dividend income	788	1,137
Overseas dividend income	12,838	16,437
Scrip dividends	548	685
	14,174	18,259
Other income		
Deposit interest	26	7
Interest from money market funds	44	33
	70	40
Total income	14,244	18,299

	2019 £'000	2018 £'000
Income from investments		
Listed UK	144	196
Listed overseas	14,030	18,063
	14,174	18,259

	2019			2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
4. Management fee						
Management fee	4,272	–	4,272	5,296	–	5,296

Management fees paid to Aberdeen Standard Fund Managers Limited (“the Manager”) are calculated at 0.85% per annum on net assets up to £350 million and 0.50% per annum on net assets over £350 million. Management fees are calculated and payable on a quarterly basis.

Net assets exclude long term borrowings less (i) the value of any investment funds managed by the Manager and (ii) 50% of the value of any investment funds managed or advised by investment managers other than the Manager. During the year and at the year end, the Company held £1,500,000 (2018 – £nil) in Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund which is managed and administered by ASI. The Company pays a management fee on the value of these holdings but no fee is chargeable at the underlying fund level.

The balance due to the Manager at the year end was £1,043,000 (2018 – £1,291,000).

The management agreement is terminable by the Company on three months’ notice or in the event of a change of control in the ownership of the Manager. The notice period required to be given by the Manager is six months.

	2019 £'000	2018 £'000
5. Administrative expenses		
Promotional activities	200	200
Directors' fees	180	154
Custody fees	265	316
Auditor's remuneration: Fees payable to the Company's auditor for		
– audit of the Company's annual report	20	18
– review of the Company's half yearly report	5	5
Other expenses	370	518
	1,040	1,211

The Company has an agreement with Aberdeen Standard Fund Managers Limited for the provision of promotional activities. The total fees paid and payable under the agreement were £200,000 (2018 – £200,000) and the sum due to the Manager at the year end was £84,000 (2018 – £34,000).

No pension contributions were made in respect of any of the Directors.

The Company does not have any employees.

	2019 £'000	2018 £'000
6. Interest payable and similar charges		
Interest on bank loans	466	227
Interest on 3.5% Convertible Unsecured Loan Stock 2018	–	646
Notional interest of 1.162% on 3.5% Convertible Unsecured Loan Stock 2018	–	238
Amortisation of 3.5% Convertible Unsecured Loan Stock 2018 issue expenses	–	26
	466	1,137

	2019			2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
7. Taxation						
(a) Analysis of charge for the year						
Overseas tax suffered	1,045	–	1,045	1,085	–	1,085
Total current tax charge for the year	1,045	–	1,045	1,085	–	1,085
Deferred tax liability on Indian capital gains	–	458	458	–	1,326	1,326
Total tax charge for the year	1,045	458	1,503	1,085	1,326	2,411

On 1 April 2018, the Indian Government withdrew an exemption from capital gains tax on investments held for twelve months or longer. Accordingly, the Company has recognised a deferred tax liability of £1,784,000 (2018 – £1,326,000) on capital gains which may arise if Indian investments are sold.

The Company has not recognised a deferred tax asset of £14,290,000 (2018 – £13,331,000) arising as a result of excess management expenses and non-trading loan relationship deficits (CULS interest). These expenses will only be utilised if the Company has profits chargeable to corporation tax in the future.

Financial Statements

Notes to the Financial Statements continued

(b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than the effective rate of corporation tax in the UK.

	2019			2018		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Return before taxation	8,466	29,474	37,940	10,655	1,897	12,552
Effective rate of corporation tax at 19.00% (2018 – 19.00%)	1,609	5,600	7,209	2,024	361	2,385
Effects of:						
UK dividend income	(150)	–	(150)	(216)	–	(216)
Gains on investments not taxable	–	(5,968)	(5,968)	–	(392)	(392)
Currency losses not taxable	–	368	368	–	31	31
Other non-taxable income	(2,543)	–	(2,543)	(3,253)	–	(3,253)
Expenses not deductible for tax purposes	5	–	5	3	–	3
Increase in excess expenses and loan relationship deficit	1,079	–	1,079	1,442	–	1,442
Movement in deferred tax liability on Indian capital gains	–	458	458	–	1,326	1,326
Net overseas tax suffered	1,045	–	1,045	1,085	–	1,085
Current tax charge for year	1,045	458	1,503	1,085	1,326	2,411

8. Dividends

In order to comply with the requirements of Sections 1158 -1159 of the Corporation Tax Act 2010 and with company law, the Company is required to make a final dividend distribution.

The proposed final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

The table below sets out the total dividends paid and proposed in respect of the financial year, which is the basis on which the requirements of Sections 1158 – 1159 are considered. The revenue available for distribution by way of dividend for the year is £7,421,000 (2018 – £9,570,000).

	2019	2018
	£'000	£'000
Proposed final dividend for 2019 – 4.75p per Ordinary share (2018 – 4.00p)	6,088	7,438

The amounts reflected above for the cost of the proposed final dividend for 2019 is based on 128,164,313 Ordinary shares in issue, being the number of Ordinary shares in issue at the date of this Report.

The final dividend will be paid on 17 December 2019 to shareholders on the register at the close of business on 22 November 2019.

9. Return per Ordinary share	2019		2018	
	£'000	pence	£'000	pence
Basic				
Revenue return	7,421	4.87	9,570	5.03
Capital return	29,016	19.03	571	0.30
Total return	36,437	23.90	10,141	5.33
Weighted average Ordinary shares in issue	152,439,217		190,358,754	

Diluted	2019		2018	
	£'000	pence	£'000	pence
Revenue return	n/a	n/a	10,457	n/a
Capital return	n/a	n/a	571	0.29
Total return	n/a	n/a	11,028	5.61
Weighted average Ordinary shares in issue ^A	n/a		196,712,871	

The Company has no securities in issue that could dilute the return per Ordinary share. Therefore, for the year ended 31 August 2019, no diluted calculation is provided.

^A For the year ended 31 August 2018, the calculation of the diluted total, revenue and capital returns per Ordinary share were 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 was 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 3.5% Convertible Unsecured Loan Stock 2018 (CULS). The calculations indicated that the exercise of CULS would result in an increase in the weighted average number of Ordinary shares of 14,405,297 to 196,712,916 Ordinary shares.

In the year ended 31 August 2018 there was no dilution to the revenue return per Ordinary share.

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Notes to the Financial Statements continued

	Listed overseas £'000	Listed in UK £'000	Total £'000
10. Investments at fair value through profit or loss			
Fair value through profit or loss:			
Opening book cost	522,411	17,625	540,036
Opening fair value gains/(losses) on investments held	273,513	(7,792)	265,721
Opening fair value	795,924	9,833	805,757
Movements in year:			
Purchases at cost	112,156	–	112,156
Sales – proceeds	(332,422)	(5,074)	(337,496)
Sales – gains/(losses) on sales	102,031	(4,247)	97,784
Current year fair value (gains)/losses on investments held	(70,455)	4,083	(66,372)
Closing fair value	607,234	4,595	611,829

	Listed overseas £'000	Listed in UK £'000	Total £'000
Closing book cost	404,176	8,304	412,480
Closing fair value gains/(losses) on investments held	203,058	(3,709)	199,349
Closing fair value	607,234	4,595	611,829

	2019 £'000	2018 £'000
Gains on investments held at fair value through profit or loss		
Realised gains on sales	97,784	94,293
Decrease in fair value gains on investments held	(66,372)	(92,229)
	31,412	2,064

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 on investments in the Statement of Comprehensive Income. The total costs were as follows:

	2019 £'000	2018 £'000
Purchases	158	304
Sales	629	376
	787	680

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

In the year ended 31 August 2019, the transaction costs were higher due to the increased volume of trading ahead of the Tender Offer, see note 13 for further details.

	2019	2018
	£'000	£'000
11. Debtors and prepayments		
Accrued income	840	1,337
Overseas withholding tax recoverable	484	366
Amounts due from brokers	16	31
Other debtors and prepayments	478	451
	1,818	2,185

	2019	2018
	£'000	£'000
12. Cash and cash equivalents		
Cash at bank and in hand	8,670	8,775
Money market funds	1,500	-
	10,170	8,775

13. Creditors

Amounts falling due within one year:

	2019	2018
	£'000	£'000
(a) Bank loans		
Falling due within one year	6,000	25,500

The Company had a £50,000,000 Revolving Facility Agreement with Scotiabank (Ireland) Designated Activity Company. This agreement was entered into on 31 January 2018 with a termination date of 31 January 2019. On 17 January 2019, an amendment was signed to extend the termination date to 30 July 2019.

This facility was amended and restated on 30 July 2019 into a £25,000,000 multicurrency revolving facility with Scotiabank Europe Plc with a termination date of 29 July 2022.

At the year end £6,000,000 of this facility had been drawn down at a rate of 1.658% which matured on 30 September 2019. At the date of this Report, £6,000,000 has been rolled over at an interest rate of 1.66413% until maturity on 29 November 2019.

	2019	2018
	£'000	£'000
(b) Other creditors		
Amounts due to brokers	-	277
Deferred tax liability on Indian capital gains	-	1,326
Other amounts due	1,332	1,595
	1,332	3,198

Included within other amounts due is £14,000 outstanding in relation to the Tender Offer for shares, see note 13 for further details.

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Notes to the Financial Statements *continued*

Amounts falling due in more than one year:

	2019 £'000	2018 £'000
(c) Bank loans		
Falling due in more than one year	25,000	-
Unamortised expenses	(7)	-
	24,993	-

On 30 July 2019, the Company entered into a new fixed loan facility agreement of £25,000,000 at an interest rate of 1.61% with Scotiabank Europe, with a termination date of 29 July 2022. The agreement of this facility incurred an arrangement fee of £7,500, which will be amortised over the life of the loan.

The agreements contains the following covenants:

- the net asset value of the Company shall not at any time be less than £385 million.
- the adjusted asset coverage of the Company, as defined in the loan facility agreement, shall not at any time be less than 4.00 to 1.00.

All covenants have been complied with throughout the year.

	2019 £'000	2018 £'000
(d) Deferred tax liability on Indian capital gains	1,784	-

14. Called-up share capital

	2019 £'000	2018 £'000
<i>Allotted, called-up and fully paid:</i>		
Ordinary shares of 20p		
Opening balance of 215,304,353 (2018 – 200,899,056) shares	43,061	40,180
Tender offer of 55,692,676 Ordinary shares	(11,139)	-
Conversion of CULS	-	2,881
Closing balance of 159,611,677 (2018 – 215,304,353) shares	31,922	43,061

During the year to 31 August 2019 the Company announced a Tender Offer for up to 30% of the Company's Ordinary shares in issue. A total of 55,692,676 Ordinary shares (representing 30% of the issued share capital) were repurchased by the Company under the Tender Offer and cancelled at a cost of £217,963,000 which was taken to the Capital Reserve. The costs of the Tender Offer were wholly incurred by the exiting Ordinary shareholders.

During the year to 31 August 2018 14,405,297 Ordinary shares were issued as a result of CULS conversion, following this there are no CULS in issue.

During the year 2,496,885 Ordinary shares of 20p each were purchased to be held in treasury by the Company (2018 – 18,208,444) at a total cost of £9,347,000 (2018 – £67,882,000). At the year end 30,862,829 (2018 – 28,365,944) Ordinary shares of 20p each were held in treasury, which represents 19.3% (2018 – 13.2%) of the Company's total issued share capital at 31 August 2019.

Since the year end a further 584,535 Ordinary shares of 20p each have been purchased by the Company at a total cost of £2,380,000 all of which were held in treasury.

15. Capital reserve

	2019 £'000	2018 £'000
At 1 September 2018	630,239	697,550
Movement in fair value gains	31,412	2,064
Foreign exchange movement	(1,938)	(167)
Buyback of Ordinary shares for treasury	(9,347)	(67,882)
Tender Offer of Ordinary shares for cancellation	(217,963)	-
Movement in capital gains tax charge	(458)	(1,326)
As at 31 August 2019	431,945	630,239

The capital reserve includes investment holding gains amounting to £199,349,000 (2018 – £265,721,000), as disclosed in note 10.

16. Net asset value per share

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

Basic	2019	2018
Net assets attributable (£'000)	589,708	788,019
Number of Ordinary shares in issue ^A	128,748,848	186,938,409
Net asset value per share (p)	458.03	421.54

^A Excluding shares held in treasury.

17. 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 securities and other investments, cash balances, bank loans and debtors and creditors that arise directly from its operations; for example, in respect of sales and purchases awaiting settlement, and debtors for accrued income.

The Board has delegated the risk management function to ASFML under the terms of its management agreement with ASFML (further details of which are included under note 4). 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 Aberdeen Standard Fund Managers Limited collectively assume responsibility for ASFML's obligations under the AIFMD including reviewing investment performance and monitoring the Company's risk profile during the year.

Financial Statements

Notes to the Financial Statements continued

ASFML is a fully integrated member of the Standard Life Aberdeen Group (the “Group”), which provides a variety of services and support to ASFML 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 Aberdeen Standard Investments Asia Limited, 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 Manager conducts its risk oversight function through the operation of the Group’s risk management processes and systems which are embedded within the Group’s operations. The Group’s Risk Division supports management in the identification and mitigation of risks and provides independent monitoring of the business. The Division includes Compliance, Business Risk, Market Risk, Risk Management and Legal. The team is headed up by the Group’s Head of Risk, who reports to the Group CEO. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group’s operational risk management system (“SHIELD”).

The Group’s Internal Audit Department is independent of the Risk Division and reports directly to the Group 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 Group’s corporate governance structure is supported by several committees to assist the board of directors of Standard Life Aberdeen Group, its subsidiaries and the Company to fulfil their roles and responsibilities. The Group’s Risk Division is represented on all committees, with the exception of those committees that deal with investment recommendations. The specific goals and guidelines on the functioning of those committees are described on the committees’ terms of reference.

Risk management

The main risks the Company faces from its financial instruments are (i) market risk (comprising interest rate risk, currency risk and 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. The Company is exposed to gearing risk which has the effect of exacerbating market falls and gains. The level of net gearing is shown on page 12. Details of the loan facilities the Company has in place can be found in note 13 on pages 55 and 56.

Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits.

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.

Interest risk profile

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

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
At 31 August 2019				
Assets				
US Dollar	-	-	-	8
Sterling	-	1.05	-	5,193
Taiwanese Dollar	-	-	-	4,826
Vietnamese Dong	-	-	-	143
Total assets	n/a	n/a	-	10,170
Liabilities				
Short-term loan – £6,000,000	0.08	1.66	6,000	-
Long-term loan – £25,000,000	2.91	1.61	24,993	-
	-	-	30,993	-

	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
At 31 August 2018				
Assets				
Hong Kong Dollar	-	-	-	153
Sterling	-	-	-	4,159
Taiwanese Dollar	-	-	-	3
Vietnamese Dong	-	-	-	4,460
Total assets	n/a	n/a	-	8,775
Liabilities				
Bank loan	0.42	1.41	25,500	-

The weighted average interest rate is based on the current yield of each asset, 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 profit.

Foreign currency risk

The majority 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 investments with foreign currency borrowings.

Financial Statements

Notes to the Financial Statements continued

The Statement of Comprehensive Income is subject to currency fluctuation arising on dividends paid in foreign currencies. The Company does not hedge this currency risk.

Foreign currency risk exposure by currency of listing of incorporation is as follows:

	31 August 2019			31 August 2018		
	Overseas	Net	Total	Overseas	Net	Total
	investments	monetary	currency	investments	monetary	currency
	£'000	assets	exposure	£'000	assets	exposure
	£'000	£'000	£'000	£'000	£'000	£'000
Chinese Yuan ^A	181,593	–	181,593	179,430	–	179,430
Hong Kong Dollar ^A	70,904	–	70,904	120,442	(81)	120,361
Indian Rupee	104,831	–	104,831	115,721	31	115,752
Indonesian Rupiah	40,605	–	40,605	51,525	–	51,525
Korean Won	48,855	–	48,855	89,519	–	89,519
Malaysian Ringgit	4,092	–	4,092	8,809	–	8,809
Philippine Peso	18,085	–	18,085	31,376	–	31,376
Singapore Dollar	61,745	–	61,745	93,806	–	93,806
Sri Lankan Rupee	10,739	–	10,739	12,407	–	12,407
Taiwanese Dollar	36,114	4,826	40,940	42,364	3	42,367
Thailand Baht	18,119	–	18,119	29,476	–	29,476
US Dollar ^A	–	24	24	11,663	(43)	11,620
Vietnamese Dong	11,552	143	11,695	9,387	4,460	13,847
	607,234	4,993	612,227	795,925	4,370	800,295
Sterling	4,595	5,193	9,788	9,832	4,159	13,991
Total	611,829	10,186	622,015	805,757	8,529	814,286

^A If currency denomination of overseas investments is used then exposure for Chinese Yuan is £55,089,000 (2018 – £65,076,000), for Hong Kong Dollar £167,081,000 (2018 – £200,016,000) and for US Dollar £30,326,000 (2018 – £46,443,000).

Foreign currency sensitivity

There is no sensitivity analysis included, as the Company's significant foreign currency financial instruments are in the form of equity investments, which have been included within the other price risk sensitivity analysis, so as to show the overall level of exposure.

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.

Management of the risk

It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a particular country or sector. Both the allocation of assets and the stock selection process, as detailed on page 8, 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 10% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 31 August 2019 would have increased/decreased by £61,183,000 (2018 – increased/decreased by £80,576,000) 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 Company's assets mainly comprise readily realisable securities which can be sold to meet funding requirements if necessary. In order to monitor the concentration of Dragon's investee companies with Standard Life Aberdeen, the total percentage holdings of those securities owned by Standard Life Aberdeen-managed funds is reviewed by the Board.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions, and reviews these on a regular basis. The Board has imposed a maximum gearing level, measured on the most stringent basis of calculation after netting off cash equivalents, of 20%. Short-term flexibility can be achieved through the use of loan and overdraft facilities.

Liquidity risk exposure

In the year to 31 August 2019, the Company repaid funds drawn under the £50,000,000 Revolving Facility Agreement with Scotiabank Europe, which matured on 30 July 2019. At 31 August 2019, the Company had drawn down £6,000,000 from a £25,000,000 Revolving Facility Agreement with Scotiabank Europe, which matured on 30 September 2019. There was a further facility of £25,000,000 with Scotiabank Europe due for repayment on 29 July 2022, details of which are disclosed in note 13 on page 56.

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 Manager, and limits are set on the amount that may be due from any one broker;
- the risk of counterparty, including the Depositary, exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a daily basis. In addition, the third party administrators' carries out a stock reconciliation to the Depositary's records on a daily basis to ensure discrepancies are picked up on a timely basis. The Manager's Compliance department carries out periodic reviews of the Depositary'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;
- cash is held only with reputable banks with high quality external credit enhancements.

None of the Company's financial assets are 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 August was as follows:

	2019		2018	
	Balance Sheet £'000	Maximum exposure £'000	Balance Sheet £'000	Maximum exposure £'000
Current assets				
Loans and receivables	1,818	1,818	2,185	2,185
Cash and cash equivalents	10,170	10,170	8,775	8,775
	11,988	11,988	10,960	10,960

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

Financial Statements

Notes to the Financial Statements continued

Maturity of financial liabilities

The maturity profile of the Company's financial liabilities at 31 August was as follows:

	2019 £'000	2018 £'000
In less than one year	7,332	25,500
In more than one year	24,993	-
	32,325	25,500

Fair value of financial assets and liabilities

The fair value of the long-term loan has been calculated at £25,145,000 as at 31 August 2019 (2018 – £Nil) compared to an accounts value in the financial statements of £24,993,000 (2018 – £Nil) (note 12). The fair value of each loan is determined by aggregating the expected future cash flows for that loan discounted at a rate comprising the borrower's margin plus an average of market rates applicable to loans of a similar period of time and currency. The carrying values of fixed asset investments are stated at their fair values, which have been determined with reference to quoted market prices.

18. Fair value hierarchy

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

- Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

All of the Company's investments are in quoted equities (2018 – same) which are actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments as at 31 August 2019 of £611,829,000 (31 August 2018 – £805,757,000) has therefore been deemed as Level 1.

19. 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 disclosed within the Directors' Remuneration Report on pages 33 to 35.

The Company has an agreement in place with Aberdeen Standard Fund Managers Limited for the provision of management and administration services, promotional activities and secretarial services. Details of transactions during the year and balances outstanding at the year end disclosed in notes 4 and 5.

At the year end the Company had £1,500,000 (31 August 2018 – £nil) invested in Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund which is managed and administered by ASI. The Company pays a management fee on the value of these holdings but no fee is chargeable at the underlying fund level.

20. Capital management policies and procedures

The Company's capital management objectives are:

- to ensure that the Company will be able to continue as a going concern; and
- to maximise the capital return to its equity shareholders through an appropriate balance of equity capital and debt. The Board has imposed a maximum gearing level of 20% of net assets.

The Board monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes the nature and planned level of gearing, which takes account of the Manager's views on the market, and the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company has no externally imposed capital requirements.



Corporate Information

The Manager is a subsidiary of Standard Life Aberdeen plc. Assets under the management of the Group's investment division, Aberdeen Standard Investments, were equivalent to £525.7 billion at 30 June 2019.

Hong Kong's Central District

Aberdeen Standard Investments' offices are located in Chater House, an office tower in the Central business district. Opened in 2003, the tower is a part of the Hongkong Land portfolio of properties. The building was built on the site of the former Swire House, and was named after Sir Paul Chater, a prominent British Armenian-descended businessman from Hong Kong's Colonial period.

Corporate Information

Alternative Performance Measures

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

Total return

Total return is considered to be an alternative performance measure. NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return involves 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 tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the years ended 31 August 2019 and 31 August 2018 and total return for the period.

	Dividend rate	NAV	Share price
2019			
31 August 2018	N/A	421.54p	370.00p
22 November 2018	4.00p	387.05p	347.00p
31 August 2019	N/A	458.03p	402.50p
Total return		+9.8%	+10.0%

	Dividend rate	NAV	Share price
2018			
31 August 2017	N/A	423.26p	361.00p
23 November 2017	3.30p	432.67p	371.50p
31 August 2018	N/A	421.54p	370.00p
Total return		+2.3%	+3.4%

Discount to net asset value per Ordinary share

The difference between the share price of 402.50p (31 August 2018 – 370.00p) and the net asset value per Ordinary share of 458.03p (31 August 2018 – 421.54p) expressed as a percentage of the net asset value per Ordinary share. The highest and lowest discount during the year is shown on page 12.

Net gearing

Net gearing measures the total borrowings of £30,993,000 (31 August 2018 – £25,500,000) less cash and cash equivalents of £10,186,000 (31 August 2018 – £8,529,000) divided by shareholders' funds of £589,708,000 (31 August 2018 – £788,019,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due to and from brokers at the year end as well as cash and cash equivalents. These balances can be found in notes 11 and 13 on pages 55 and 56.

Corporate Information

Alternative Performance Measures continued

Ongoing charges

Ongoing charges is considered to be an alternative performance measure. The ongoing charges ratio has been calculated in accordance with guidance issued by the AIC as the total of investment management fees and administrative expenses and expressed as a percentage of the average net asset values with debt at fair value throughout the year.

	2019	2018
Investment management fees (£'000)	4,272	5,296
Administrative expenses (£'000)	1,040	1,211
Less: non-recurring charges (£'000)	(13)	(20)
Ongoing charges (£'000)	5,299	6,487
Average net assets (£'000)	638,726	808,836
Ongoing charges ratio	0.83%	0.80%

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

Corporate Information

Information about the Manager

Aberdeen Standard Fund Managers Limited

Aberdeen Standard Fund Managers Limited ("ASFML"), authorised and regulated by the Financial Conduct Authority, has been appointed as the alternative investment fund manager to the Company. ASFML has in turn delegated portfolio management to Aberdeen Standard Investments (Asia) Limited.

Aberdeen Standard Investments (Asia) Limited ("ASI Asia")

ASI Asia is the investment manager of the Company. ASI Asia is based in Singapore and is a wholly-owned subsidiary of Standard Life Aberdeen plc. Assets under the management of the combined investment division, Aberdeen Standard Investments, were equivalent to £525.7 billion at 30 June 2019.

The Investment Team Senior Managers



Flavia Cheong
Head of Equities, Asia Pacific

Masters in Economics from University of Auckland. Previously with Investment Company of the People's Republic of China and Development Bank of Singapore. Started investment career in 1987. Joined ASI Asia in 1996.



Adrian Lim
Investment Director

Chartered Financial Analyst, B.Acc from Nanyang Technological University (Singapore). Joined ASI Asia in 2000. Previously he was an associate director at Arthur Andersen.



Pruksa Iamthongthong
Investment Director

Chartered Financial Analyst, BA in Business Administration from Chulalongkorn University, Thailand. Joined ASI Asia in 2007.



Hugh Young
Managing Director

BA in Politics from Exeter University. Started investment career in 1980. In charge of ASI Asia's Far East funds since 1985.

Corporate Information

Investor Information

How to Invest

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

Aberdeen Standard Investment Trust Share Plan

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

Aberdeen Standard Investment Trust ISA

Aberdeen Standard Investments operates an Investment Trust ISA ("ISA") through which an investment made be made of up to £20,000 in the tax year 2019/20.

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

ISA Transfer

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

Aberdeen Standard Investment Plan for Children

Aberdeen Standard Investments operates an Investment Plan for Children (the "Children's Plan") which covers a

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

Nominee Accounts and Voting Rights

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

Dividend Tax Allowance

The annual tax-free personal allowance for dividend income, for UK investors, is £2,000 for the 2019/20 tax year. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

Note

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

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

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

Keeping You Informed

The Company's share price is listed in the Financial Times. Information on the Company can be found on its dedicated website (www.asiadragontrust.co.uk) and the TrustNet website (www.trustnet.co.uk). This provides access to information on the Company's share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager.

Details on the Company or literature and application forms on the Aberdeen Standard Investments managed savings products can be found:

Website: www.invtrusts.co.uk
Email: inv.trusts@aberdeenstandard.com
Tel: 0808 500 0040
Address: Aberdeen Standard Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB

Terms and conditions for the Aberdeen Standard investment trust products can be found under the Literature section of this website.

Company's Registrars

Alternatively, if you have an administrative query which relates to a direct holding, please contact the Company's Registrar, as follows:

Equiniti Limited
Aspect House
Spencer Road
Lancing
West Sussex BN99 6DA

Shareholder helpline: 0371 384 2499
Shareview enquiry line: 0371 384 2020
Textel/hard of hearing: 0371 384 2255
Overseas helpline: +44 (0) 121 415 7047

(Lines open 8.30am to 5.30pm, Monday to Friday excluding public holidays in England and Wales. Charges for calling telephone numbers starting with '03' are determined by the caller's service provider).

Pre-investment Disclosure Document ("PIDD")

The AIFMD requires Aberdeen Standard Fund Managers Limited, as the alternative investment fund manager of the Company, to make available to investors certain information prior to such investors' investment in the Company.

The Company's PIDD is available for viewing on its website.

PRIIPS (Packaged Retail and Insurance-based Investment Products)

Investors should be aware that the PRIIPS Regulation requires the Manager, as PRIIP manufacturer, to prepare a key information document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available on the Manager's website. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

The KID relating to the Company and published by the Manager can be found on the Manager's website at: invtrusts.co.uk/en/investmenttrusts/literature-library.

Suitable for Retail/NMPI Status

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

The Company currently conducts its affairs so that securities issued by the Company can be recommended by a financial adviser to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream pooled investment products (NMPs) and intends to continue to do so for the foreseeable future.

The Company's securities are not subject to the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

Online Dealing providers and platforms

There are a number of online dealing platforms for private investors that offer share dealing, ISAs and other means to invest in the Company, such as self-invested personal pension (SIPP). Real-time execution-only stockbroking services allow you to trade online, manage your portfolio and buy UK listed shares. These sites do not give advice. Some comparison websites also look at dealing rates and

Corporate information

Investor Information continued

terms. Some well-known online providers, which can be found through internet search engines, include:

AJ Bell You Invest; Alliance Trust Savings; Barclays Stockbrokers; Charles Stanley Direct; Halifax Share Dealing; Fidelity Personal Investing; Hargreave Hale; Hargreaves Lansdown; Idealing; Interactive Investor; Selftrade; The Share Centre; Stocktrade.

Discretionary Private Client Stockbrokers

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

Financial Advisers

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

Regulation of Stockbrokers

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

Tel: 0800 111 6768 or
Website: fca.org.uk/firms/systems-reporting/register/search
Email: register@fca.org.uk

Investor Warning: Be alert to share fraud and boiler room scams

Aberdeen Standard Investments (ASI) are aware that some investors have received telephone calls and emails from people, purporting to work for ASI or for third party firms, who have offered to buy their investment company shares. ASI Investments has also been notified of emails claiming that certain investment companies under their management have issued claims in the courts against individuals.

These may be scams which attempt to gain personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from an investor is required to release the supposed payment for their shares. These callers/senders do not work for ASI and any third party making such offers has no link with ASI. ASI never makes these types of offers and does not 'cold-call' investors in this way. If investors have any doubt over the veracity of a caller, they should not offer any personal information, end the call and contact ASI's investor services centre using the details provided above.

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

The above information has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Standard Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority.

Financial Calendar

31 August 2019	Company's financial year end
4 November 2019	Announcement of annual financial report for the year ended 31 August 2019
12 November 2019	Annual Report and Accounts published
12 December 2019 (12 noon)	Annual General Meeting
17 December 2019	Final dividend on Ordinary shares paid
29 February 2020	Company's financial half-year end
April 2020	Announcement of half-yearly financial report for the six months ended 28 February 2020
May 2020	Half-Yearly Report published
31 August 2020	Company's financial year end

General Glossary of Terms and Definitions

Aberdeen Standard Investments	Aberdeen Standard Investments ("ASI") is a brand of the investment businesses of Aberdeen Asset Management and Standard Life Investments.
ASFML, AIFM or Manager	Aberdeen Standard Fund Managers Limited ("ASFML") is a wholly owned subsidiary of Standard Life Aberdeen plc and acts as the Alternative Investment Fund Manager ("AIFM") for the Company. It is authorised and regulated by the Financial Conduct Authority.
ASI Asia or Investment Manager	Aberdeen Standard Investments (Asia) Limited ("ASI Asia" or "Investment Manager") is a subsidiary company of Standard Life Aberdeen plc which has been delegated responsibility for the Company's day-to-day investment management.
Asset Cover	The value of a company's net assets available to repay a certain security. Asset cover is usually expressed as a multiple and calculated by dividing the net assets available by the amount required to repay the specific security.
AIFMD	Alternative Investment Fund Managers Directive
CULS	The 3.5% Convertible Unsecured Loan Stock 2018 issued in January 2011. The CULS were convertible semi-annually on the basis of 310.1528p nominal of CULS for one Ordinary Share. This equated to a 10% premium to the unaudited NAV per Ordinary Share (including income) of 281.9571p at 5 January 2011. The Final Conversion Date of the CULS was 31 January 2018.
Discount	The amount by which the market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.
Dividend Cover	Earnings per share divided by dividends per share expressed as a ratio.
Dividend Yield	The annual dividend expressed as a percentage of the share price.
FCA	Financial Conduct Authority
Key Information Document (KID)	The Packaged Retail and Insurance-based Investment Products ("PRIIPS") Regulation requires the Manager, as the Company's PRIIP 'manufacturer', to prepare a Key Information Document ("KID") in respect of the Company. This KID must be made available by the Manager to retail investors prior to them making any investment decision and is available via the Company's website.
Leverage	For the purposes of the Alternative Investment Fund Managers ("AIFM") Directive, leverage is any method which increases the Company's exposure, including the borrowing of cash and the use of derivatives. It is expressed as a ratio between the Company's exposure and its net asset value and can be calculated on a gross and a commitment method. Under the gross method, exposure represents the sum of the Company's positions after the deduction of sterling cash balances, without taking into account any hedging and netting arrangements. Under the commitment method, exposure is calculated without the deduction of sterling cash balances and after certain hedging and netting positions are offset against each other.
Listing Rules	The Financial Conduct Authority's Listing Rules are a set of regulations that are applicable to all companies that are listed on the London Stock Exchange.
Net Asset Value ("NAV")	The value of total assets less liabilities. Liabilities for this purpose included current and long-term liabilities. The net asset value divided by the number of shares in issue produces the net asset value per share.
Net Gearing	Net gearing is calculated by dividing total assets (as defined below) less cash or cash equivalents by

General Glossary of Terms and Definitions *continued*

	shareholders' funds expressed as a percentage.
NMPIs	Non-mainstream pooled investment products.
Notional Interest	At the date the CULS were issued, the fair value of the liability component was estimated by assuming that an equivalent non-convertible obligation of the Company would have a coupon rate of 4.662%. Notional interest is calculated as the difference between this effective interest rate of 4.662% and the coupon rate of 3.5%.
Ongoing Charges	Ratio of ongoing expenses expressed as percentage of average daily shareholders' funds calculated as per the industry standard.
Pre-Investment Disclosure Document ("PIDD")	The AIFM and the Company are required to make certain disclosures available to investors in accordance with the AIFMD. Those disclosures that are required to be made pre-investment are included within a PIDD, which can be found on the Company's website.
Premium	The amount by which the market price per share of an investment trust exceeds the net asset value per share. The premium is normally expressed as a percentage of the net asset value per share.
Price/Earnings Ratio	The ratio is calculated by dividing the middle-market price per share by the earnings per share. The calculation assumes no change in earnings but in practice the multiple reflects the stock market's view of a company's prospects and profit growth potential.
Prior Charges	The name given to all borrowings including debentures, loan and short term loans and overdrafts that are to be used for investment purposes, reciprocal foreign currency loans, currency facilities to the extent that they are drawn down, index-linked securities, and all types of preference or preferred capital and the income shares of split capital trusts, irrespective of the time until repayment.
Standard Life Aberdeen plc or the Group	The Standard Life Aberdeen plc group of companies. Standard Life Aberdeen plc was formed by the merger of Aberdeen Asset Management PLC and Standard Life plc on 14 August 2017.
Total Assets	Total Assets less current liabilities (before deducting prior charges as defined above).
Total Return	Total Return involves reinvesting the net dividend in the month that the share price goes ex-dividend. The NAV Total Return involves investing the same net dividend in the NAV of the Trust on the date to which that dividend was earned, eg half year or year end date.

General

Your Company's Share Capital History

Issued Share Capital at 31 August 2019

159,611,677 Ordinary shares of 20p (of which 30,862,829 are held in treasury).

Capital History

Year to 31 August 2019	In January 2019, following a Tender Offer for up to 30% of the Ordinary shares of the Company at a discount of 2 per cent. to Formula Asset Value, 30% of the Ordinary shares (55,692,676 shares) were repurchased for cancellation at the repurchase price of 388.69p per share. 2,496,885 Ordinary shares were repurchased into treasury.
Year to 31 August 2018	14,405,297 Ordinary shares were issued following the final conversion of £44,678,748 nominal of CULS. 18,208,444 Ordinary shares were repurchased into treasury.
Year to 31 August 2017	4,868,554 Ordinary shares were issued following elections by CULS holders to convert £15,100,040 nominal of CULS. 4,636,200 Ordinary shares were repurchased into treasury.
Year to 31 August 2016	2,658 Ordinary shares were issued following elections by CULS holders to convert £8,254 nominal of CULS. 3,577,800 Ordinary shares were repurchased into treasury.
Year to 31 August 2015	3,085 Ordinary shares were issued following elections by CULS holders to convert £9,582 nominal of CULS. 352,000 Ordinary shares were repurchased for cancellation and 1,943,500 Ordinary shares were repurchased into treasury.
31 August 2011 - 31 August 2014	30,409 Ordinary shares were issued following elections by CULS holders to convert £94,389 nominal of CULS.
Year to 31 August 2011	In January 2011, the Company issued £60 million nominal of 3.5% Convertible Unsecured Loan Stock 2018 (CULS). In August 2011, 35,131 Ordinary shares were issued following elections by CULS holders to convert £108,987 nominal of CULS.
Year to 31 August 2010	In January 2010, following a Tender Offer for up to 15% of the Ordinary shares of the Company at a discount of 3 per cent. to Formula Asset Value, 15% of the Ordinary shares (34,643,156 shares) were repurchased for cancellation at the repurchase price of 197.2794p per share.
2006-2009	6,122,500 Ordinary shares were repurchased for cancellation in the year to 31 August 2008 and 200,000 Ordinary shares were repurchased for cancellation in the year to 31 August 2007.
1993 - 2005	<p>In 1995 and 1996 the Company issued 841,571 Ordinary shares at a premium to the NAV. All of the 5,864,444 warrants 1996 were converted in the period up to 31 January 1996, the final conversion date.</p> <p>During the period 1998 - 2000 the Company repurchased 43,760,874 Ordinary shares for cancellation.</p> <p>Prior to their final conversion date in 2005, 421,540 warrants 2005 were converted into Ordinary shares and 8,926,018 warrants 2005 were purchased for cancellation. The final conversion of 10,508,903 warrants 2005 took place in 2005.</p>
1987 - 1993	The Company was launched in 1987 with a share capital of 120,000,000 Ordinary 5p shares and 24,000,000 warrants 1996. In 1989, following a placing and open offer, 192,000,000 Ordinary 5p shares and 38,400,000 warrants 2005 were issued. In April 1993, following the acquisition of Drayton Asia Trust plc, the Company issued 740,002,520 Ordinary shares and 42,086,268 warrants 2005. During the period 1987-1993, 542,223 warrants 1996 and 1,060,423 warrants 2005 were converted into Ordinary shares. In November 1993, following a four for one consolidation, the Company's issued share capital was 263,401,291 Ordinary 20p shares, 5,864,444 warrants 1996 and 19,856,461 warrants 2005.

General

Alternative Investment Fund Managers Directive Disclosures (Unaudited)

Aberdeen Standard Fund Managers Limited ("ASFML") and the Company are required to make certain disclosures available to investors in accordance with the Alternative Investment Fund Managers Directive ("AIFMD"). Those disclosures that are required to be made pre-investment are included within a pre-investment disclosure document ("PIDD") which can be found on the Company's website. There have been no material changes to the disclosures contained within the PIDD since its publication in November 2018.

The periodic disclosures as required under the AIFMD to investors are made below:

- Information on the investment strategy and sector investment focus and principal stock exposures are included in the Strategic Report.
- None of the Company's assets are subject to special arrangements arising from their illiquid nature.
- The Strategic Report, note 16 to the Financial Statements and the PIDD together set out the risk profile and risk management systems in place. There have been no changes to the risk management systems in place in the period under review and no breaches of any of the risk limits set, with no breach expected.
- There are no new arrangements for managing the liquidity of the Company or any material changes to the liquidity management systems and procedures employed by ASFML.
- All authorised Alternative Investment Fund Managers are required to comply with the AIFMD Remuneration Code. In accordance with the Remuneration Code, the Company's AIFM remuneration policy is available from the Company Secretary, Aberdeen Asset Managers Limited on request (see contact details on page 79) and the remuneration disclosures in respect of the AIFM's reporting period for the period ended 31 December 2018 are available on the Company's website.

Leverage

The table below sets out the current maximum permitted limit and actual level of leverage for the Company:

	Gross method	Commitment method
Maximum level of leverage	2.50:1	2.00:1
Actual level at 31 August 2019	1.10:1	1.11:1

There have been no breaches of the maximum level during the period and no changes to the maximum level of leverage employed by the Company. There have been no changes to the circumstances in which the Company may be required to post assets as collateral and no guarantees granted under the leveraging arrangement. Changes to the information contained either within this Annual Report or the PIDD in relation to any special arrangements in place, the maximum level of leverage which ASFML may employ on behalf of the Company; the right of use of collateral or any guarantee granted under any leveraging arrangement; or any change to the position in relation to any discharge of liability by the Depositary will be notified via a regulatory news service without undue delay in accordance with the AIFMD.

The information on this page has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 (as amended by the Financial Services Act 2012) by Aberdeen Standard Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority in the United Kingdom.

Notice

Notice of Annual General Meeting

Notice is hereby given that the thirty-first annual general meeting of Asia Dragon Trust plc will be held at 1 George Street, Edinburgh EH2 2LL on 12 December 2019 at 12 noon to consider and, if thought fit, pass the following resolutions, of which resolutions 1 to 12 inclusive will be proposed as ordinary resolutions and resolutions 13 to 15 inclusive will be proposed as special resolutions:

Ordinary Business

1. To receive the reports of the Directors and auditor and the audited financial statements for the year to 31 August 2019.
2. To receive and adopt the Directors' Remuneration Report, excluding the Directors' Remuneration Policy, for the year to 31 August 2019.
3. To approve payment of a final dividend of 4.75p per Ordinary share.
4. To re-elect James Will as a Director of the Company.
5. To elect Gaynor Coley as a Director of the Company.
6. To re-elect Kathryn Langridge as a Director of the Company.
7. To re-elect Peter Maynard as a Director of the Company.
8. To re-elect Iain McLaren as a Director of the Company.
9. To re-elect Charlie Ricketts as a Director of the Company.
10. To re-appoint KPMG LLP as auditor of the Company to hold office until the conclusion of the next Annual General Meeting at which accounts are laid before the Company.
11. To authorise the Directors to determine the remuneration of the auditor for the year to 31 August 2020.

Special Business

12. That, in substitution for any pre-existing power to allot or grant rights to subscribe for or to convert any security into shares in the Company, but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot shares in the Company ("securities") up to an aggregate nominal amount of £8.54 million or, if less, the number representing 33.3% of the Company's issued Ordinary share capital as at the date of passing of this resolution, such authority to expire on 28 February 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, at any time prior to the expiry of such authority, make an offer or enter into an agreement which would or might require relevant securities to be allotted after the expiry of such authority, and the Directors may allot relevant securities in pursuance of such an offer or agreement as if such authority had not expired.
13. That, subject to the passing of resolution 12 as set out above and in substitution for any existing power under Sections 570 and 573 of the Companies Act 2006 (the "Act") but without prejudice to the exercise of any such authority prior to the passing of this resolution, the Directors be and are hereby generally empowered, pursuant to Sections 570 and 573 of the Act, to allot equity securities (as defined in Section 560 of the Act) for cash pursuant to the authority under Section 551 of the Act conferred by resolution 12 or by way of a sale of treasury shares (within the meaning of Section 560 (3) of the Act) as if Section 561 of the Act did not apply to any such allotment, provided that this power shall:
 - (i) be limited up to an aggregate nominal amount of £1.28 million or, if less, the number representing 5% of the Company's issued Ordinary share capital as at the date of passing of this resolution; and
 - (ii) expire on 28 February 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities pursuant to any such offer or agreement as if the power conferred hereby had not expired.
14. That, in substitution for any existing authority under Section 701 of the Companies Act 2006 (the "Act"), but without prejudice to the exercise of any such authority prior to the date hereof, the Company be generally and unconditionally authorised, in accordance with Section 701 of the Act, to make market purchases (within the meaning

Notice Notice of Annual General Meeting *continued*

of Section 693(4) of the Act) of fully paid Ordinary shares of 20p each in the capital of the Company ("shares") and to cancel or hold in treasury such shares, provided that:

- (i) the maximum aggregate number of shares hereby authorised to be purchased is 19.2 million or, if less, the number representing 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution;
 - (ii) the minimum price which may be paid for a share shall be 20p (exclusive of expenses);
 - (iii) the maximum price (exclusive of expenses) which may be paid for a share shall be an amount being not more than the higher of (i) 105% of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the shares for the five business days immediately preceding the date of purchase and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to a share on the trading venue where the purchase is carried out; and
 - (iv) unless previously varied, revoked or renewed, the authority hereby conferred shall expire on 28 February 2021 or, if earlier, at the conclusion of the next Annual General Meeting of the Company to be held after the passing of this resolution, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of shares pursuant to any such contract or contracts as if the authority conferred hereby had not expired.
15. That a general meeting other than an Annual General Meeting may be called on not less than 14 clear days' notice provided that this authority shall expire at the conclusion of the next Annual General Meeting of the Company after the passing of this resolution.

By order of the Board
Aberdeen Asset Managers Limited
6 November 2019

Registered office:
1 George Street
Edinburgh EH2 2LL

Notes:

- (i) A member is entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote on their behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share.
- (ii) A form of proxy for use by shareholders is enclosed with this document. Completion and return of the form of proxy will not prevent any shareholder from attending the meeting and voting in person. To be valid, the form of proxy should be lodged, together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority at the address stated thereon, so as to be received not later than 12 noon on 10 December 2019.
- (iii) In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend and vote at the Meeting a member must first have his or her name entered in the Company's register of members by not later than 6.30pm on 10 December 2019 (or, in the event that the Meeting is adjourned, at 6.30pm on the day which is two business days before the time of the adjourned Meeting). Changes to entries on that register after that time shall be disregarded in determining the rights of any member to attend and vote at the Meeting referred to above.
- (iv) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the website www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- (v) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (ID RA19) no later than 12 noon on 10 December 2019 (or in the event the meeting is adjourned no later than 48 hours (excluding non-working days) before the time of the adjourned

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- meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- (vi) CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
 - (vii) The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
 - (viii) The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("nominated persons"). Nominated persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes (i) and (ii) above does not apply to Nominated Persons. The rights described in these notes can only be exercised by members of the Company.
 - (ix) No Director has a service contract with the Company but copies of Directors' letters of appointment will be available for inspection at the meeting venue for at least 15 minutes prior to the Meeting and during the Meeting.
 - (x) As at close of business on 1 November 2019 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 128,164,313 Ordinary shares of 20 pence each and there were a further 31,447,364 shares held in treasury. Each Ordinary share carries the right to one vote at a general meeting of the Company and therefore the total number of voting rights in the Company as at close of business on 1 November 2019 is 128,164,313. Treasury shares represent 19.7% of the total issued Ordinary share capital (inclusive of treasury shares).
 - (xi) Any person holding 3% or more of the total voting rights in the Company who appoints a person other than the Chairman as his proxy will need to ensure that both he and such third party complies with their respective disclosure obligations under the UK Disclosure and Transparency Rules.
 - (xii) Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
 - (xiii) The members of the Company may require the Company to publish, on its website, a statement setting out any matter relating to the audit of the Company's accounts, including the Auditor's Report and the conduct of the audit, which they intend to raise at the next meeting of the Company. The Company will be required to do so once it has received such requests from either (i) members representing at least 5% of the total voting rights of the Company or (ii) at least 100 members who have a relevant right to vote and hold shares in the Company on which there has been paid up an average sum per member of at least £100. Such requests must be made in writing and must state your full name and address, and be sent to: The Company Secretary, Asia Dragon Trust plc, 1 George Street EH2 2LL.
 - (xiv) Information regarding the Annual General Meeting, including information required by Section 311A of the Companies Act 2006, is available from the Company's website, www.asiadragontrust.co.uk.
 - (xv) Under Section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
 - a) answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - b) the answer has already been given on a website in the form of an answer to a question; or
 - c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
 - (xvi) Shareholders are advised that, unless otherwise stated, any telephone number, website or e-mail address which may be set out in this notice of
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Annual General Meeting or in any related documents (including the proxy form) is not to be used for the purposes of serving information or documents on, or otherwise communicating with, the Company for any purposes other than those expressly stated.

- (xvii) There are special arrangements for holders of shares through the Aberdeen Standard Investment Plan for Children, Investment Trust Share Plan and Investment Trust ISA. These are explained in the 'Letter of Direction' which such holders will have received with this report.

Contact Addresses

Directors

James Will (Chairman)
Gaynor Coley
Kathryn Langridge
Peter Maynard
Iain McLaren
Charlie Ricketts

Manager, Secretary and Registered Office

Alternative Investment Fund Manager
Aberdeen Standard Fund Managers Limited
Bow Bells House
1 Bread Street
London EC4M 9HH
Website: www.aberdeenstandard.com

(authorised and regulated by the Financial Conduct Authority)

Investment Manager

Aberdeen Standard Investments (Asia) Limited

(a subsidiary of Standard Life Aberdeen plc which is authorised and regulated by the Financial Conduct Authority)

Secretary and Registered Office

Aberdeen Asset Managers Limited
1 George Street
Edinburgh EH2 2LL
Telephone: 0131 528 4000

(authorised and regulated by the Financial Conduct Authority)

Website

Website: www.asiadragnetrust.co.uk

Registrars

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West Sussex BN99 6DA
Telephone: 0371 384 2499
Website: www.equiniti.com

Depository

BNP Paribas Securities Services, London Branch

Auditor

KPMG LLP
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Broker

Winterflood Securities
The Atrium Building
Cannon Bridge
25 Dowgate Hill
London EC4R 2GA

Foreign Account Tax Compliance Act ("FATCA") Registration Number ("GIIN")

IRS Registration Number (GIIN): 2WA1VW.99999.SL.826

Legal Entity Identifier ("LEI")

549300W4KB0D75D1N730

Company Registration Number

SC106049



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asiadragontrust.co.uk