

# Aberdeen Asian Income Fund Limited

A total return closed-end fund offering quarterly income from a concentrated portfolio of Asian equities and bonds

Half Yearly Report  
30 June 2017



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## The Company

Aberdeen Asian Income Fund Limited (the "Company") is a Jersey-incorporated, closed-end investment company and its Ordinary shares of No Par Value ("Ordinary Shares") are listed on the London Stock Exchange. The Company is a member of the Association of Investment Companies.

## Investment Objective

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

## MSCI AC Asia Pacific (ex Japan) Index

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

## Portfolio Management

The investment management of the Company has been delegated by Aberdeen Private Wealth Management Limited (the "Manager") to Aberdeen Asset Management Asia Limited ("AAM Asia" or the "Investment Manager"). AAM Asia is based in Singapore and is a wholly-owned subsidiary of Standard Life Aberdeen plc (the "Aberdeen Standard Group"), a publicly-quoted company on the London Stock Exchange.

## Website

Up-to-date information can be found on the Company's website [asian-income.co.uk](http://asian-income.co.uk).

## Alternative Investment Fund Managers Directive ("Directive")

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

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

In addition, in accordance with Article 23 of the Directive and Rule 3.2.2 of the Financial Conduct Authority ("FCA") Fund Sourcebook, APWM is required to make available certain disclosures for potential investors in the Company. These disclosures, in the form of a pre-investment disclosure document ("PIDD"), are available on the Company's website: [asian-income.co.uk](http://asian-income.co.uk)

## Highlights and Financial Calendar

	30 June 2017	31 December 2016	% change
Total assets <sup>A</sup> (£'000)	458,331	434,002	+5.6
Total equity shareholders' funds (£'000)	421,864	396,028	+6.5
Share price (mid-market)	211.50p	194.25p	+8.9
Net asset value per Ordinary share	229.02p	211.82p	+8.1
MSCI AC Asia Pacific ex Japan Index (currency adjusted, capital gains basis)	12.5% <sup>B</sup>	23.7% <sup>C</sup>	
Discount to net asset value per Ordinary share	-7.6%	-8.3%	
Interim dividends	4.50p <sup>D</sup>	4.00p <sup>E</sup>	
Net gearing <sup>F</sup>	6.8%	8.2%	
Ongoing charges	1.09% <sup>G</sup>	1.09% <sup>H</sup>	

<sup>A</sup> Before deduction of bank loans of £36,467,000 (31 December 2016 – excluding bank loans of £37,974,000) and after deduction of other payables.

<sup>B</sup> Six months ended 30 June 2017.

<sup>C</sup> Year ended 31 December 2016.

<sup>D</sup> Includes second interim dividend of 2.25p to be paid on 18 August 2017.

<sup>E</sup> Interim dividends for the six months ended 30 June 2016.

<sup>F</sup> Net gearing is calculated by dividing Total Assets (as defined above) less cash or cash equivalents by shareholders' funds expressed as a percentage (the AIC basis).

<sup>G</sup> Based on forecast ongoing charges for the year ending 31 December 2017.

<sup>H</sup> Based on ongoing charges for the year ended 31 December 2016.

## Performance (total return<sup>A</sup>)

	Six months ended 30 June 2017	Six months ended 30 June 2016	Year ended 31 December 2016
Share price (Ordinary)	+11.5%	+16.6%	+28.4%
Net asset value	+10.6%	+16.9%	+29.9%
MSCI AC Asia Pacific ex Japan Index (currency adjusted)	+14.1%	+13.0%	+27.7%

<sup>A</sup> Total return represents the capital return plus dividends reinvested. Data relating to dividend reinvestments can be found within note 6.

## Financial Calendar

14 August 2017	Announcement of unaudited half yearly results
18 August 2017	Payment of second interim dividend for year ending 31 December 2017
September 2017	Half Yearly Report posted to shareholders
November 2017	Payment of third interim dividend for year ending 31 December 2017
February 2018	Payment of fourth interim dividend for year ending 31 December 2017
March 2018	Announcement of Annual Financial Report for the year ending 31 December 2017
April 2018	Annual Report posted to shareholders
May 2018	Annual General Meeting in Jersey

# Interim Board Report - Chairman's Statement

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## Background

Your Company's net asset value ("NAV") returned 10.6% in sterling terms over the six months to 30 June 2017, underperforming the MSCI All Countries Asia Pacific ex Japan Index, which returned 14.1%. The Ordinary share price total return rose by 11.5% whilst the discount to NAV narrowed slightly to 7.6%. A notable development over the period was the stabilisation of growth in the Asian markets, following the volatility seen over the past few years. This has largely been driven by the technology sector, which tends to be characterised by high growth and low yields. The Company retains a balanced view on growth and income, focusing on those companies that boast strong balance sheets and cash flow generation to deliver a blend of sustainable income and capital appreciation.

## Overview

Asian equities enjoyed a robust start to the year, shrugging off two US Federal Reserve rate hikes, uncertainty over Trump's stimulus plans, signs of impending monetary policy tightening in Europe and volatile oil prices. Despite Beijing's tightening, China outpaced the region after MSCI decided to add A-shares to its indexes and mainland internet stocks rallied even as the global technology rally faltered. Oil prices fell below US\$44 a barrel, owing to record-high US output, though retreating commodity prices kept inflation at bay in Asia, with most central banks keeping interest rates unchanged. Asian investors focused instead on improvements in regional exports and global trade, signs of stabilisation in China and corporate earnings momentum.

Prior to this year, India maintained steady growth but the rest of Asia had faltered on concerns about a potential slowdown in the Chinese economy coupled with both softening consumer sentiment and corporate spending. However, the tides are beginning to turn in 2017, helped by improvements in the regional political environment and a domestic consumer base supported by favourable population demographics in the fast-growing Asian markets. Many of the stocks in your Company's underlying portfolio have been increasing their dividends on an absolute basis, despite this not being fully reflected in yields given the strength in share prices seen this year.

## Performance Review

Your Company's NAV rose by 10.6% in sterling terms over the interim period, due to the focus on fundamentally solid businesses with robust balance sheets and good cash flow generation, both of which support your Company's dividend distribution. Against this, the MSCI AC Asia ex Japan index returned 14.1%, significantly skewed by the strength of internet stocks Tencent and Alibaba. These are high-growth companies trading at steep valuations that do not prioritise

returning cash to investors, and are thus not held in this income orientated Company.

Whilst your Company does not invest in the Chinese internet stocks that do not pay good dividends, we have exposure to the technology sector via holdings in the hardware, semiconductors and electronics equipment space. Both Taiwan Semiconductor and Samsung Electronics have strong net cash balance sheets and run globally competitive semiconductor businesses which generate high margins and good free cash flows. The top stock contributor to your Company's relative performance this period has been Singapore-listed electronic equipment manufacturer and services provider Venture Corporation. Although a relatively small company with a market capitalisation of £2 billion, Venture has nurtured a global business based on its engineering capabilities, providing value-added products and services to a wide range of customers. Through innovation and cost controls, Venture maintains superior margins and good cash flow generation to support its dividend policy.

Stock selection in Singapore was particularly robust, as the three local lenders OCBC, UOB and DBS recovered after reporting better-than-expected results underpinned by higher fee income, better contributions from wealth management and insurance divisions, as well as growth in their regional operations. The improvements were reassuring in light of earlier concerns about deteriorating asset quality.

On the other hand, Australia was the weakest regional market, as low commodity prices and the risk of more bank levies hurt the largest segments of the economy. Both of your Company's diversified miners, Rio Tinto and South32, maintained their production guidance for the year and have relatively solid balance sheets to support their ongoing commitment to dividends. Meanwhile, property stocks were impacted as Australian bond yields tracked global yields higher. Viva Energy REIT suffered after it conducted an equity raising to fund the acquisition of eight new petrol station sites. However, it continues to have good long-term potential, boasting a high-quality tenant portfolio, long lease expiry profile, and a robust balance sheet with limited capital expenditure requirements. This allows it to maintain a healthy distribution policy. Similarly, shopping centre-focused Scentre Group is supported by quality assets, high levels of occupancy and long-term rental agreements.

## Portfolio Activity

Turning to portfolio activity, your Manager utilised the Stock Connect trading system to introduce Shanghai-listed SAIC Motor Corporation, which has good product positioning on the mainland and generates substantial cash from its joint ventures with Volkswagen and General Motors. The resulting cash pile on its balance sheet has been used to boost its dividend payout policy, which has kept its yield above 5%

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despite a 30% increase in share price in local currency. A small position was also initiated in City Developments' non-redeemable convertible preference shares, which offer a 3.9% coupon and trade at a significant discount to intrinsic value with the possibility of conversion into discounted ordinary shares in the future. Your Manager has long followed the parent company and City Development's hospitality trust is already an underlying holding in your Company.

Against this, your Manager reduced exposure to UOB and OCBC on relative strength and exited Thailand's BEC World, on concerns that the company's strategic shift to digital could impact earnings and dividends during the transition. Bonds issued by industrial gases company Yingde were sold close to par at the start of the year, following an unconditional takeover bid from private equity firm PAG. After extensive engagement, your Manager agreed with the Yingde board that valuations based on PAG's cash offer were fair, given the company's current financial status and the challenging environment faced by Yingde's customers, which are primarily in the steel industry.

### Dividends

On 11 July 2017, your Board declared a second quarterly interim dividend of 2.25p per Ordinary share in respect of the year ending 31 December 2017, which will be paid on 18 August 2017 to shareholders on the register on 21 July 2017. The first two quarterly dividends, covering the six months to 30 June 2017 therefore total 4.5p (2016 – 4.0p). As indicated at the time of the earlier announcements, the Board is seeking to rebalance the four interim dividends and, in the absence of unforeseen circumstances, it is the Board's intention to declare four interim dividends of 2.25p per Ordinary share totalling 9.0p (2016: 8.75p) in respect of the year to 31 December 2017.

Your Manager took advantage of the volatile environment to add to quality companies at attractive valuations, and trim those that appeared overvalued, whilst improving the yield of the portfolio. Despite the environment, your Company's holdings are expected to maintain steady dividend yields, given their robust operating cash flows.

### Gearing and Share Repurchases

On 13 April 2017 the Company entered into a new unsecured three year £40 million multi currency revolving facility agreement with Scotiabank (Ireland) Designated Activity Company (the "New Facility") which replaced a £30 million unsecured facility that matured at that time. Under the terms of the New Facility the Company also has the option to increase the level of the commitment from £40 million to £60 million at any time, subject to the identification by the Manager of suitable investment opportunities and Lender credit approval. The Company's

total gearing at the period end amounted to the equivalent of £36.5 million or net gearing of 6.8% with £10m, HKD 213m and USD 7.2m drawn under the Company's facilities with Scotiabank. The Company has not at present used the optional extra commitment but will continue to monitor opportunities in conjunction with the Manager.

Over the first half of the year, the Ordinary shares have continued to trade at a discount to the NAV and the Company has been very active in the market when the discount (excluding income) has exceeded 5% with a view to minimising volatility due to a widening discount. During the period under review, your Company bought in 2,768,000 shares for treasury. Subsequent to the period end a further 470,000 Ordinary shares have been acquired for treasury.

### Directorate

As part of the Board's on-going succession planning, Andrey Berzins retired from the Board at the Annual General Meeting ("AGM") held in May 2017 and I would like to reiterate the Board's sincere appreciation to him for his service and significant contribution to the Company since its launch in November 2005. I am pleased to report that Mark Florance has been appointed as an independent non executive Director with effect from 10 May 2017. Mark is a Singapore Permanent Resident and brings to the Board over 25 years' experience in corporate finance, including mergers and acquisitions, equity and debt capital markets and debt restructuring in Asia.

Going forward I intend to retire from the Board at the conclusion of the 2018 AGM and the Nomination Committee is currently overseeing the search for a further non executive Director. With effect from the conclusion of the 2018 AGM Charles Clarke has agreed to become Chairman of the Company.

### Aberdeen Merger Update

The Board notes the completion of the merger between Aberdeen and Standard Life. The Board observes that the merger process to date has not created any issues for the Company but we shall continue to ensure that the management team remain focussed upon looking after the interests of the Company and its shareholders during the integration of the two businesses.

### Outlook

Asian stockmarkets have made a sharp comeback since their relative sluggishness in the preceding period, buoyed by optimism about a worldwide economic recovery. Chinese demand remains closely watched given the influence on regional trade but there are also concerns about rising financial leverage in China as shadow banking activity shows little sign of abating. Political risks in the region continue to

## Interim Board Report - Chairman's Statement continued

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be a wild card while inflation in Asia could pick up if commodities recover.

Nevertheless, there are compelling reasons to remain invested in Asia. Population demographics and a rising middle class offer good potential for long-term growth. Many companies that had delayed capital expenditure on the back of the softened macroeconomic backdrop redirected their cash towards paying down debt obligations and strengthening balance sheets. We are beginning to see a trough in earnings downgrades in Asia and our holdings are starting to see a recovery in earnings. We remain positive for the longer term as Asia's contribution to global nominal GDP far outstrips Asia's representation in the world index, and dividend yield remains higher relative to the Western markets. Your Manager remains committed to achieving a balance between generating income and tapping into growth, by building and maintaining a portfolio of diverse businesses with solid balance sheets, robust fundamentals and the ability to pay sustainable dividends.

I look forward to reporting to you again with the Annual Report for the year to 31 December 2017, which will be issued in April 2018. In the meantime, shareholders can find regular updates from your Investment Manager, and copies of all Stock Exchange announcements on your Company's website [asian-income.co.uk](http://asian-income.co.uk). Also on the website there are NAV and share price feeds which are updated on a daily basis.

**Peter Arthur**  
Chairman  
14 August 2017

# Interim Board Report - Disclosures

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## Principal Risk Factors

The principal risks and uncertainties affecting the Company are set out in detail on page 10 of the Annual Report and Financial Statements for the year ended 31 December 2016 and have not changed.

The risks outlined below are those risks that the Directors considered at the date of this Half Yearly Report to be material but are not the only risks relating to the Company or its shares. If any of the adverse events described below actually occur, the Company's financial condition, performance and prospects and the price of its shares could be materially adversely affected and shareholders may lose all or part of their investment. Additional risks which were not known to the Directors at the date of this Half Yearly Report, or that the Directors considered at the date of this Report to be immaterial, may also have an effect on the Company's financial condition, performance and prospects and the price of the shares.

If shareholders are in any doubt as to the consequences of their acquiring, holding or disposing of shares in the Company or whether an investment in the Company is suitable for them, they should consult their stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Securities and Markets Act 2000 (*as amended by the Financial Services Act 2012*) or, in the case of prospective investors outside the United Kingdom, another appropriately authorised independent financial adviser.

The risks can be summarised under the following headings:

- Investment strategy and objectives;
- Investment portfolio, investment management;
- Financial obligations;
- Financial and regulatory;
- Operational; and,
- Income and dividend risk.

An explanation of other risks relating to the Company's investment activities, specifically market price, liquidity and credit risk, and a note of how these risks are managed, are contained in note 16 on pages 60 to 67 of the Annual Report for the year ended 31 December 2016.

## Going Concern

In accordance with the Financial Reporting Council's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting issued in September 2014, the Directors have undertaken a rigorous review and consider both that there are no material uncertainties and that the adoption of the going concern basis of accounting is appropriate. The Company's assets consist primarily of a

diverse portfolio of listed securities which, in most circumstances, are realisable within a very short timescale. Therefore, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Half Yearly Report.

## Directors' Responsibility Statement

The Directors are responsible for preparing this Half Yearly Financial Report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of interim financial statements contained within the Half Yearly Financial Report which have been prepared in accordance with IAS 34 "Interim Financial Reporting", give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company; and
- the Half-Yearly Board Report includes a fair review of the information required by rule 4.2.7R of the Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of Financial Statements and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the Half-Yearly Board Report includes a fair review of the information required by 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could do so).

For and on behalf of the Board of Aberdeen Asian Income Fund Limited

**Peter Arthur**  
Chairman  
14 August 2017

# Investment Portfolio

As at 30 June 2017

Company	Country of activity	Valuation £'000	Total assets %
HSBC Holdings	Hong Kong	16,843	3.7%
Taiwan Semiconductor Manufacturing Corporation	Taiwan	16,253	3.6%
Venture Corporation	Singapore	15,631	3.4%
Singapore Telecommunications	Singapore	14,790	3.2%
Oversea-Chinese Banking Corporation	Singapore	14,505	3.2%
Jardine Cycle & Carriage	Singapore	13,804	3.0%
Taiwan Mobile	Taiwan	12,548	2.7%
Hana Microelectronics	Thailand	12,453	2.7%
Spark New Zealand	New Zealand	11,952	2.6%
Singapore Technologies Engineering	Singapore	11,728	2.6%
<b>Top ten investments</b>		<b>140,507</b>	<b>30.7%</b>
Ausnet Services	Australia	11,536	2.5%
Commonwealth Bank of Australia	Australia	11,507	2.5%
Heineken Malaysia	Malaysia	11,476	2.5%
Tesco Lotus Retail Growth	Thailand	11,248	2.5%
China Mobile	China	11,194	2.4%
DBS Group	Singapore	10,576	2.3%
Samsung Electronics	South Korea	10,273	2.2%
Australia & New Zealand Bank Group	Australia	9,291	2.0%
Swire Pacific (Class A and Class B shares)	Hong Kong	8,985	2.0%
Hang Lung Properties	Hong Kong	8,385	1.9%
<b>Top twenty investments</b>		<b>244,978</b>	<b>53.5%</b>
Scentre Group	Australia	8,260	1.8%
Yum China Holdings	China	8,196	1.8%
Electricity Generating	Thailand	8,158	1.8%
Amada Holdings	Japan	8,119	1.8%
Advanced Information Services	Thailand	8,001	1.7%
Telstra	Australia	7,770	1.7%
Viva Energy REIT	Australia	7,641	1.6%
Westpac Banking Corporation	Australia	7,474	1.6%
United Overseas Bank	Singapore	7,394	1.6%
SAIC Motor Corp	China	7,163	1.6%
<b>Top thirty investments</b>		<b>323,154</b>	<b>70.5%</b>
CDL Hospitality Trust	Singapore	7,081	1.6%
Far East Hospitality Trust	Singapore	6,988	1.5%
Shopping Centres Australasia	Australia	6,955	1.5%
Siam Cement <sup>B</sup>	Thailand	6,927	1.5%
Giordano International	Hong Kong	6,881	1.5%
Japan Tobacco	Japan	6,877	1.5%
Rio Tinto <sup>C</sup>	Australia	6,808	1.5%
Keppel REIT	Singapore	6,581	1.4%
Standard Chartered	United Kingdom	6,161	1.4%
British American Tobacco Malaysia	Malaysia	5,602	1.2%
<b>Top forty investments</b>		<b>390,015</b>	<b>85.1%</b>

Company	Country of activity	Valuation £'000	Total assets %
Indo Tambangraya Megah	Indonesia	5,546	1.2%
Okinawa Cellular Telephone	Japan	5,319	1.2%
South32 <sup>C</sup>	Australia	4,851	1.1%
Green Dragon Gas <sup>A</sup>	China	4,777	1.0%
Star Media	Malaysia	4,642	1.0%
ASX	Australia	4,569	1.0%
ICICI Bank <sup>A</sup>	India	4,565	1.0%
Hong Leong Finance	Singapore	4,514	1.0%
Texwinca Holdings	Hong Kong	4,365	0.9%
Kingmaker Footwear	Hong Kong	4,235	0.9%
<b>Top fifty investments</b>		<b>437,398</b>	<b>95.4%</b>
Westfield Corporation	Australia	4,007	0.9%
DFCC Bank <sup>A</sup>	Sri Lanka	3,944	0.9%
Lafarge Malaysia	Malaysia	3,656	0.8%
City Developments	Singapore	300	0.1%
AEON Credit Service	Malaysia	127	–
<b>Total investments</b>		<b>449,432</b>	<b>98.1%</b>
<b>Other net assets<sup>D</sup></b>		<b>8,899</b>	<b>1.9%</b>
<b>Total assets</b>		<b>458,331</b>	<b>100.0%</b>

<sup>A</sup> Corporate bonds.

<sup>B</sup> Holding includes investment in common and non-voting depository receipt lines.

<sup>C</sup> Incorporated in and listing held in United Kingdom.

<sup>D</sup> Excludes bank loans of £36,467,000.

## Condensed Statement of Comprehensive Income

	Six months ended 30 June 2017 (unaudited)			Six months ended 30 June 2016 (unaudited)			Year ended 31 December 2016 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>Investment income</b>									
Dividend income	10,599	–	10,599	9,657	–	9,657	18,203	–	18,203
Interest income	873	–	873	1,499	–	1,499	2,744	–	2,744
<b>Total revenue</b>	<b>11,472</b>	<b>–</b>	<b>11,472</b>	<b>11,156</b>	<b>–</b>	<b>11,156</b>	<b>20,947</b>	<b>–</b>	<b>20,947</b>
Gains on investments held at fair value through profit or loss	–	31,371	31,371	–	47,313	47,313	–	83,483	83,483
Net currency gains/(losses)	–	1,397	1,397	–	(3,047)	(3,047)	–	(5,596)	(5,596)
	11,472	32,768	44,240	11,156	44,266	55,422	20,947	77,887	98,834
<b>Expenses</b>									
Investment management fee (note 10)	(692)	(1,039)	(1,731)	(646)	(970)	(1,616)	(1,308)	(1,962)	(3,270)
Other operating expenses (note 5)	(541)	–	(541)	(523)	–	(523)	(1,049)	–	(1,049)
<b>Total operating expenses</b>	<b>(1,233)</b>	<b>(1,039)</b>	<b>(2,272)</b>	<b>(1,169)</b>	<b>(970)</b>	<b>(2,139)</b>	<b>(2,357)</b>	<b>(1,962)</b>	<b>(4,319)</b>
<b>Profit before finance costs and taxation</b>	<b>10,239</b>	<b>31,729</b>	<b>41,968</b>	<b>9,987</b>	<b>43,296</b>	<b>53,283</b>	<b>18,590</b>	<b>75,925</b>	<b>94,515</b>
Finance costs	(142)	(212)	(354)	(118)	(177)	(295)	(238)	(358)	(596)
<b>Profit before tax</b>	<b>10,097</b>	<b>31,517</b>	<b>41,614</b>	<b>9,869</b>	<b>43,119</b>	<b>52,988</b>	<b>18,352</b>	<b>75,567</b>	<b>93,919</b>
Tax expense	(670)	–	(670)	(548)	–	(548)	(1,045)	–	(1,045)
<b>Profit for the period (note 3)</b>	<b>9,427</b>	<b>31,517</b>	<b>40,944</b>	<b>9,321</b>	<b>43,119</b>	<b>52,440</b>	<b>17,307</b>	<b>75,567</b>	<b>92,874</b>
<b>Earnings per Ordinary share (pence) (note 3)</b>	<b>5.08</b>	<b>16.97</b>	<b>22.05</b>	<b>4.90</b>	<b>22.66</b>	<b>27.56</b>	<b>9.15</b>	<b>39.97</b>	<b>49.12</b>

The Company does not have any income or expense that is not included in profit/(loss) for the period, and therefore the "Profit/(loss) for the period" is also the "Total comprehensive income for the period".

The total columns of this statement represent the Condensed Statement of Comprehensive Income, prepared in accordance with IFRS. The revenue and capital columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations.

All of the profit/(loss) and total comprehensive income is attributable to the equity holders of Aberdeen Asian Income Fund Limited. There are no non-controlling interests.

# Condensed Balance Sheet

	Notes	As at 30 June 2017 (unaudited) £'000	As at 30 June 2016 (unaudited) £'000	As at 31 December 2016 (audited) £'000
<b>Non-current assets</b>				
Investments held at fair value through profit or loss		449,432	398,415	428,908
<b>Current assets</b>				
Cash and cash equivalents		7,986	6,193	5,314
Other receivables		1,759	2,206	1,440
		9,745	8,399	6,754
<b>Creditors: amounts falling due within one year</b>				
Bank loans	8	(36,467)	(29,154)	(27,974)
Other payables		(846)	(801)	(1,660)
		(37,313)	(29,955)	(29,634)
<b>Net current liabilities</b>		<b>(27,568)</b>	<b>(21,556)</b>	<b>(22,880)</b>
<b>Creditors: amounts falling due after more than one year</b>				
Bank loan	8	–	(10,000)	(10,000)
<b>Net assets</b>		<b>421,864</b>	<b>366,859</b>	<b>396,028</b>
<b>Stated capital and reserves</b>				
Stated capital	9	194,933	194,933	194,933
Capital redemption reserve		1,560	1,560	1,560
Capital reserve		210,765	156,339	185,050
Revenue reserve		14,606	14,027	14,485
<b>Equity shareholders' funds</b>		<b>421,864</b>	<b>366,859</b>	<b>396,028</b>
<b>Net asset value per Ordinary share (pence)</b>	4	<b>229.02</b>	<b>194.19</b>	<b>211.82</b>

The financial statements on pages 8 to 17 were approved by the Board of Directors and authorised for issue on 14 August 2017 and were signed on its behalf by:

**Peter Arthur**  
Chairman

# Condensed Statement of Changes in Equity

## Six months ended 30 June 2017 (unaudited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Retained earnings £'000	Total £'000
Opening balance	194,933	1,560	185,050	14,485	–	396,028
Buyback of Ordinary shares for holding in treasury	–	–	(5,802)	–	–	(5,802)
Profit for the period	–	–	–	–	40,944	40,944
Transferred to retained earnings from capital reserve <sup>A</sup>	–	–	31,517	–	(31,517)	–
Transferred from retained earnings to revenue reserve	–	–	–	9,427	(9,427)	–
Dividends paid (note 6)	–	–	–	(9,306)	–	(9,306)
<b>Balance at 30 June 2017</b>	<b>194,933</b>	<b>1,560</b>	<b>210,765</b>	<b>14,606</b>	<b>–</b>	<b>421,864</b>

## Six months ended 30 June 2016 (unaudited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Retained earnings £'000	Total £'000
Opening balance	194,933	1,560	119,637	13,302	–	329,432
Buyback of Ordinary shares for holding in treasury	–	–	(6,417)	–	–	(6,417)
Profit for the period	–	–	–	–	52,440	52,440
Transferred to retained earnings from capital reserve <sup>A</sup>	–	–	43,119	–	(43,119)	–
Transferred from retained earnings to revenue reserve	–	–	–	9,321	(9,321)	–
Dividends paid (note 6)	–	–	–	(8,596)	–	(8,596)
<b>Balance at 30 June 2016</b>	<b>194,933</b>	<b>1,560</b>	<b>156,339</b>	<b>14,027</b>	<b>–</b>	<b>366,859</b>

## Year ended 31 December 2016 (audited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Retained earnings £'000	Total £'000
Opening balance	194,933	1,560	119,637	13,302	–	329,432
Buyback of Ordinary shares for holding in treasury	–	–	(10,154)	–	–	(10,154)
Profit for the year	–	–	–	–	92,874	92,874
Transferred from retained earnings to capital reserve <sup>A</sup>	–	–	75,567	–	(75,567)	–
Transferred from retained earnings to revenue reserve	–	–	–	17,307	(17,307)	–
Dividends paid (note 6)	–	–	–	(16,124)	–	(16,124)
<b>Balance at 31 December 2016</b>	<b>194,933</b>	<b>1,560</b>	<b>185,050</b>	<b>14,485</b>	<b>–</b>	<b>396,028</b>

<sup>A</sup> Represents the capital profit attributable to equity shareholders per the Condensed Statement of Comprehensive Income.

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

The stated capital in accordance with Companies (Jersey) Law 1991 Article 39A is £260,822,000 (30 June 2016 – £260,822,000; 31 December 2016 – £260,822,000). These amounts include proceeds arising from the issue of shares by the Company but excludes the cost of shares purchased for cancellation or treasury by the Company.

## Condensed Cash Flow Statement

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
<b>Cash flows from operating activities</b>			
Dividend income received	9,081	8,207	16,996
Interest income received	958	1,634	2,881
Investment management fee paid	(2,544)	(1,343)	(2,433)
Other cash expenses	(631)	(506)	(954)
Interest paid	(371)	(327)	(592)
Overseas taxation paid	(670)	(548)	(1,045)
<b>Net cash inflows from operating activities</b>	<b>5,823</b>	<b>7,117</b>	<b>14,853</b>
<b>Cash flows from investing activities</b>			
Purchases of investments	(25,426)	(21,817)	(56,400)
Sales of investments	37,500	29,362	70,158
<b>Net cash inflow/(outflow) from investing activities</b>	<b>12,074</b>	<b>7,545</b>	<b>13,758</b>
<b>Cash flows from financing activities</b>			
Purchase of own shares for treasury	(5,809)	(6,631)	(10,203)
Dividends paid	(9,306)	(8,596)	(16,124)
Loans repaid	–	(3,391)	(6,773)
<b>Net cash outflow from financing activities</b>	<b>(15,115)</b>	<b>(18,618)</b>	<b>(33,100)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,782</b>	<b>(3,956)</b>	<b>(4,489)</b>
Cash and cash equivalents at the start of the period	5,314	10,504	10,504
Foreign exchange	(110)	(355)	(701)
<b>Cash and cash equivalents at the end of the period</b>	<b>7,986</b>	<b>6,193</b>	<b>5,314</b>

# Notes to the Financial Statements

## 1. Accounting policies – basis of preparation

The Annual Report is prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC). The condensed Half Yearly Report has been prepared in accordance with International Accounting Standards (IAS) 34 – ‘Interim Financial Reporting’. It has also been prepared using the same accounting policies applied in the annual report for the year ended 31 December 2016.

The financial statements have been prepared on a going concern basis. In accordance with the Financial Reporting Council’s guidance on ‘Going Concern and Liquidity Risk’ the Directors have undertaken a review of the Company’s assets and liabilities. The Company’s assets primarily consist of a diverse portfolio of listed equity shares which, in most circumstances, are realisable within a very short timescale.

During the period the following amendments to standards became effective:

- IAS 7 – Disclosure Initiative (effective for annual periods beginning on or after 1 January 2017)
- IAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses (effective for annual periods beginning on or after 1 January 2017)
- IFRS 12 (AI 2014–16) – Clarification of the scope of the Standard (effective for annual periods beginning on or after 1 January 2017)

The adoption of the above amendments to standards did not have a significant impact on this condensed set of interim financial statements. The amendment to IAS 7 requires additional disclosures. Any changes in disclosure considered necessary will be made in the annual financial statements.

The Board considers that there will be no material impact arising from a fundamental rewrite of accounting rules for financial instruments under IFRS 9 Financial Instruments (effective for annual periods beginning on or after 1 January 2018) which introduces a new classification model for financial assets that is more principles-based than the current requirements under IAS 39 Financial Instruments: Recognition and Measurement. More details relating to this assessment are contained within last year’s annual report.

## 2. Segmental information

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

	Six months ended 30 June 2017 (unaudited) P	Six months ended 30 June 2016 (unaudited) P	Year ended 31 December 2016 (audited) P
3. Earnings per Ordinary share			
Revenue return	5.08	4.90	9.15
Capital return	16.97	22.66	39.97
<b>Total return</b>	<b>22.05</b>	<b>27.56</b>	<b>49.12</b>

The figures above are based on the following:

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Revenue return	9,427	9,321	17,307
Capital return	31,517	43,119	75,567
<b>Total return</b>	<b>40,944</b>	<b>52,440</b>	<b>92,874</b>
<b>Weighted average number of Ordinary shares in issue</b>	<b>185,721,295</b>	<b>190,286,312</b>	<b>189,072,288</b>

#### 4. Net asset value per share

##### Ordinary shares

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

	As at 30 June 2017 (unaudited)	As at 30 June 2016 (unaudited)	As at 31 December 2016 (audited)
<b>Basic</b>			
Attributable net assets (£'000)	421,864	366,859	396,028
Number of Ordinary shares in issue (excluding shares in issue held in treasury)	184,200,389	188,913,389	186,968,389
<b>Net asset value per Ordinary share (p)</b>	<b>229.02</b>	<b>194.19</b>	<b>211.82</b>

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
<b>5. Other operating expenses (revenue)</b>			
Directors' fees	85	80	165
Secretarial and administration fees	67	67	134
Promotional activities	125	125	250
Auditor's remuneration:			
– statutory audit	17	29	39
– interim accounts review	6	6	6
– tax services	3	–	11
Custodian charges	89	70	155
Other	149	146	289
	<b>541</b>	<b>523</b>	<b>1,049</b>

## Notes to the Financial Statements *continued*

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
<b>6. Dividends on equity shares</b>			
Amounts recognised as distributions to equity holders in the period:			
Second interim dividend for 2016 – 2.00p	–	–	3,771
Third interim dividend for 2016 – 2.00p	–	–	3,757
Fourth interim dividend for 2016 – 2.75p (2015 – 2.50p)	5,136	4,812	4,812
First interim dividend for 2017 – 2.25p (2016 – 2.00p)	4,170	3,784	3,784
	<b>9,306</b>	<b>8,596</b>	<b>16,124</b>

A second interim dividend of 2.25p for the year to 31 December 2017 will be paid on 18 August 2017 to shareholders on the register on 21 July 2017. The ex-dividend date was 20 July 2017.

The following data has been used in calculating the total returns on net asset value and share price:

Ex-div date	Rate (p)	NAV (p)	Share price (p)
19 January 2017	2.75	216.85	204.00
27 April 2017	2.25	222.29	208.25

Ex-div date	Rate (p)	NAV (p)	Share price (p)
21 January 2016	2.50	157.18	140.50
21 April 2016	2.00	186.39	171.88
21 July 2016	2.00	205.60	187.00
20 October 2016	2.00	218.61	206.00

### 7. Transaction costs

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

	Six months ended 30 June 2017 (unaudited) £'000	Six months ended 30 June 2016 (unaudited) £'000	Year ended 31 December 2016 (audited) £'000
Purchases	35	23	49
Sales	37	33	64
	<b>72</b>	<b>56</b>	<b>113</b>

## 8. Bank loans

In April 2017, the Company entered into a new unsecured three year £40 million multi-currency facility agreement with Scotiabank (Ireland) Limited which replaced a £30 million secured facility. At the period end approximately USD 7.2 million and HKD 213 million, equivalent to £26.4 million was drawn down from the £40 million facility. The interest rates attributed to the USD and HKD loans at the period end were 2.077% and 1.319% respectively.

In March 2015, the Company entered into a new fixed three year £10 million credit facility with Scotiabank Europe PLC at an all-in interest rate of 2.2175% which will mature on 2 March 2018.

At the period end, bank loans totalled £36,467,000 (30 June 2016 – £39,154,000; 31 December 2016 – £37,974,000).

9. Stated capital	30 June 2017		30 June 2016		31 December 2016	
	Number	£'000	Number	£'000	Number	£'000
Ordinary shares of no par value						
Authorised	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited	Unlimited
Issued and fully paid	194,933,389	194,933	194,933,389	194,933	194,933,389	194,933

No Ordinary shares were issued or bought back for cancellation during the period (six months ended 30 June 2016 and year ended 31 December 2016 – same).

During the period 2,768,000 Ordinary shares were bought back by the Company for holding in treasury at a cost of £5,802,000 (30 June 2016 – 4,213,000 shares were bought back at a cost of £6,417,000; 31 December 2016 – 6,158,000 shares were bought back for holding in treasury at a cost of £10,154,000). As at 30 June 2017 10,733,000 (30 June 2016 – 6,020,000; 31 December 2016 – 7,965,000) Ordinary shares were held in treasury.

The Ordinary shares give shareholders the entitlement to all of the capital growth in the Company's assets and to all the income from the Company that is resolved to be distributed.

## 10. Related party disclosures and transactions with the Manager

### Transactions with the Manager

Mr H Young is a director of Aberdeen Asset Management PLC ("AAM") and its subsidiary Aberdeen Asset Management Asia Limited ("AAM Asia"). Aberdeen Private Wealth Management Limited ('APWM') is also a subsidiary of AAM and it has an agreement to provide management services to the Company, which it has sub-delegated to AAM Asia. APWM has an agreement to provide company secretarial and administration and promotional activity services to the Company.

The management fee is payable quarterly in arrears, based on an annual amount of 0.85% of the net asset value of the Company valued monthly and on the average of the previous five monthly valuation points. During the period £1,731,000 (30 June 2016 – £1,616,000; 31 December 2016 – £3,270,000) of management fees were paid and payable, with a balance of £295,000 (one month's fee) (30 June 2016 – £544,000 (two months' fees); 31 December 2016 – £1,108,000 (four months' fees)) being payable to AAM Asia at the period end.

The company secretarial and administration fee is £134,000 (30 June 2016 – £134,000; 31 December 2016 – £134,000), payable quarterly in arrears. During the period £67,000 (30 June 2016 – £67,000; 31 December 2016 – £134,000) of fees were paid and payable, with a balance of £33,000 (30 June 2016 – £33,000; 31 December 2016 – £101,000) being payable to APWM at the period end.

## Notes to the Financial Statements continued

The promotional activities fee is based on a current annual amount of £250,000 (30 June 2016 – £250,000; 31 December 2016 – £250,000), payable quarterly in arrears. During the period £125,000 (30 June 2016 – £125,000; 31 December 2016 – £250,000) of fees were payable, with a balance of £63,000 (30 June 2016 – £63,000; 31 December 2016 – £63,000) being payable to APWML at the period end.

### 11. Fair value hierarchy

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

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

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

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

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

At 30 June 2017 (unaudited)	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	436,146	–	–	436,146
Quoted bonds	b)	–	13,286	–	13,286
<b>Total assets</b>		<b>436,146</b>	<b>13,286</b>	<b>–</b>	<b>449,432</b>

At 30 June 2016 (unaudited)	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	375,972	–	–	375,972
Quoted bonds	b)	–	22,443	–	22,443
<b>Total assets</b>		<b>375,972</b>	<b>22,443</b>	<b>–</b>	<b>398,415</b>

At 31 December 2016 (audited)	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
<b>Financial assets at fair value through profit or loss</b>					
Quoted equities	a)	405,449	–	–	405,449
Quoted bonds	b)	–	23,459	–	23,459
<b>Total assets</b>		<b>405,449</b>	<b>23,459</b>	<b>–</b>	<b>428,908</b>

#### a) Quoted equities

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

#### b) Quoted bonds

The fair value of the Company's investments in quoted bonds has been determined by reference to their quoted bid prices at the reporting date. Investments in quoted bonds are not considered to trade in active markets and accordingly the Company's holding in quoted bonds as at 30 June 2016 has been reclassified from Level 1 to Level 2.

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**Fair values of financial liabilities**

The fair value of the loan is determined by aggregating the expected future cash flows for the 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 fair value of borrowings as at 30 June 2017 has been estimated at £36,467,000. At 30 June 2016 and 31 December 2016 the fair value was £39,216,000 and £38,033,000 respectively which was the same as the carrying values due to the short-term nature of the loans. Under the fair value hierarchy in accordance with IFRS 13, these borrowings are classified as Level 2.

**12. Events after the reporting period**

A further 470,000 Ordinary shares have been bought back by the Company for holding in treasury, subsequent to the reporting period end, at a cost of £1,004,000. Following the share buybacks there were 183,730,389 Ordinary shares in issue excluding those held in treasury.

**13. Half Yearly Financial Report**

The financial information for the six months ended 30 June 2017 and 30 June 2016 has not been audited.

**14. Approval**

This Half Yearly Financial Report was approved by the Board on 14 August 2017.

# Independent Review Report to Aberdeen Asian Income Fund Limited

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## Introduction

We have been engaged by the Company to review the condensed set of financial statements in the Half Yearly Financial Report for the six months ended 30 June 2017 which comprises the Condensed Statement of Comprehensive Income, the Condensed Balance Sheet, the Condensed Statement of Changes in Equity, the Condensed Cash Flow Statement and the related explanatory notes 1 to 14. We have read the other information contained in the Half Yearly Financial Report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

## Directors' Responsibilities

The Half Yearly Financial Report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Half Yearly Financial Report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS). The condensed set of financial statements included in this Half Yearly Financial Report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

## Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Half Yearly Financial Report based on our review.

## Scope of Review

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

obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Half Yearly Financial Report for the six months ended 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34 and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

## Ernst & Young LLP

Jersey  
Channel Islands  
14 August 2017

*The maintenance and integrity of the Aberdeen Asian Income Fund Limited website is the responsibility of the Directors; the work carried out by the Auditor does not include consideration of these matters and, accordingly, the Auditor accepts no responsibility for any changes that may have occurred to the financial information since it was initially presented on the website.*

*Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.*

# How to Invest in Aberdeen Asian Income Fund Limited

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## Direct

Investors can buy and sell shares in Aberdeen Asian Income Fund Limited (the "Company") directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA.

## Suitable for Retail/NMPI Status

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

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

The Company's securities are excluded from the FCA's restrictions which apply to non-mainstream pooled investments (NMPIs) because the Company would qualify as an investment trust if the Company were based in the UK.

## Pre Investment Disclosure Document

In accordance with Article 23 of the Alternative Investment Fund Managers Directive and Rule 3.2.2 of the FCA FUND Sourcebook, the Company's Manager is required to make available certain disclosures for potential investors in the Company. These disclosures are available on the Company's website:

<http://www.invt trusts.co.uk/doc.nsf/Lit/PressReleaseUKClosedaaifalternativeinvestmentfundmanagersdirectivepid>

## Aberdeen's Investment Plan for Children

Aberdeen Asset Managers Limited (AAM) runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends (subject to the eligibility criteria as stated within the terms and conditions). All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be

a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

## Aberdeen's Investment Trust Share Plan

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

## Stocks and Shares ISA

An investment of up to £20,000 in the Company can be made in the tax year 2017/2018.

The annual ISA administration charge is £24 + VAT, calculated annually and applied on 31 March (or the last business day in March) and collected soon thereafter either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax.

## ISA Transfer

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

## Note

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

# How to Invest in Aberdeen Asian Income Fund Limited continued

As with all equity investments, the value of investment trusts and investment companies 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 Ordinary share price appears under the heading 'Investment Companies' in the Financial Times, and other national newspapers.

For internet users, detailed data on the Company including Ordinary Share price, performance information and a monthly fact sheet is available from the Company's website [asian-income.co.uk](http://asian-income.co.uk) and the TrustNet website [trustnet.co.uk](http://trustnet.co.uk). Alternatively please call 0808 500 0040 for trust information.

For further information concerning any direct shareholding, please contact the Company's registrars:

Capita Asset Services  
PO Box 532  
St Helier  
Jersey JE4 5UW

Tel: 01534 847 000  
e-mail: [shareholderenquiries@capitaassetservices.com](mailto:shareholderenquiries@capitaassetservices.com)  
[capitaassetservices.com](http://capitaassetservices.com)  
[signalshares.com](http://signalshares.com)

Tel: 0371 664 0300  
Tel International: (+44 208 639 3399)  
(lines are open 9.00am-5.00pm Mon-Fri)

## Online dealing providers

### Investor information

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

### Online dealing

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

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

## Discretionary private client stockbrokers

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

## Independent financial advisers

To find an adviser who recommends on investment trusts, visit [unbiased.co.uk](http://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 at [www.fca.org.uk/firms/systems-reporting/register/search](http://www.fca.org.uk/firms/systems-reporting/register/search)  
Email: [register@fca.org.uk](mailto:register@fca.org.uk)

## Literature Request Service

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

Telephone: 0808 500 0040  
[www.invt trusts.co.uk/en/investmenttrusts/literature-library](http://www.invt trusts.co.uk/en/investmenttrusts/literature-library)

Terms and conditions for the AAM managed savings products can also be found under the literature section of [invt trusts.co.uk](http://invt trusts.co.uk). For information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trust Administration  
PO Box 11020  
Chelmsford  
Essex, CM99 2DB  
Telephone: 0808 500 0040

*The information above 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 Asset Managers Limited which is authorised and regulated by the Financial Conduct Authority.*

# Corporate Information

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## Directors

Peter Arthur, Chairman  
Charles Clarke, Audit Committee Chairman  
Ian Cadby  
Mark Florance (*appointed 10 May 2017*)  
Krystyna Nowak  
Hugh Young  
Andrey Berzins (*retired 10 May 2017*)

## Investment Manager

Aberdeen Asset Management Asia Limited  
21 Church Street, #01-01 Capital Square Two  
Singapore 049480

## Manager, Secretary and Registered Office

Aberdeen Private Wealth Management Limited  
1<sup>st</sup> Floor, Sir Walter Raleigh House  
48 – 50 Esplanade  
St Helier  
Jersey JE2 3QB

## Registered in Jersey with number 91671

## Registrars

Capita IRG (Offshore) Limited  
PO Box 532  
St Helier  
Jersey JE4 5UW  
Tel: 01534 847 000

## Transfer Agents

Capita Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

Tel: 0371 664 0300  
(lines are open 8.30am-5.30pm Mon-Fri)  
Tel International: (+44 208 639 3399)  
e-mail [ssd@capitaregistrars.com](mailto:ssd@capitaregistrars.com)  
[capitaassetservices.com](http://capitaassetservices.com)

## Website

[asian-income.co.uk](http://asian-income.co.uk)

## Corporate Broker

Cantor Fitzgerald Europe Limited  
1 America Square,  
3<sup>rd</sup> Floor, 17 Crosswall  
London EC3N 2LB

## Bankers

Scotiabank (Ireland) Limited  
I.F.S.C House  
Custom House Quay  
Dublin 1  
Dublin

Scotiabank Europe plc  
6th Floor, 201 Bishopsgate  
London EC2M 3NS

## Solicitors

Maclay Murray & Spens LLP  
One London Wall  
London EC2Y 5AB

## Jersey Lawyers

Appleby  
PO Box 207  
13-14 Esplanade  
St Helier  
Jersey JE1 1BD

## Independent Auditor

Ernst & Young LLP  
Liberation House  
Castle Street  
St Helier  
Jersey JE1 1EY

## Custodian

BNP Security Services S.A Jersey Branch

## United States Internal Revenue Service FATCA Registration Number (GIIN)

MIXWGC.99999.SL.832

## Legal Entity Identifier (LEI)

549300U76MLZF5F8MN87



