ABERDEEN ASIAN INCOME FUND LIMITED
Legal Entity Identifier (LEI): 549300U76MLZF5F8MN87

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

FINANCIAL HIGHLIGHTS

Dividend per Ordinary share		Earnings per Ordinary share - basic (revenue)	
2019	9.25p	2019	9.42p
2018	9.15p	2018	9.25p

Net asset value total return{AB}		Share price total return{AB}	
2019	+10.5%	2019	+14.2%
2018	-5.5%	2018	-6.2%

MSCI AC Asia Pacific ex Japan Index total return (currency adjusted){B}		MSCI AC Asia Pacific ex Japan High Dividend Yield Index total return (currency adjusted){B}	
2019	+14.9%	2019	+10.6%
2018	-8.3%	2018	-3.5%

Yield		Discount to net asset value per Ordinary share	
2019{C}	4.3%	2019{AC}	5.8%
2018{C}	4.7%	2018{C}	8.5%

Ongoing charges{A}		Net gearing{A}	
2019	1.08%	2019	8.1%
2018	1.11%	2018	8.9%

{A} Alternative Performance Measure (see pages 102 and 103 of the published Annual Report for the year ended 31 December 2019).
{B} Total return represents the capital return plus dividends reinvested.
{C} As at 31 December.

STRATEGIC REPORT - CHAIRMAN'S STATEMENT

Background and Overview

This Annual Report covers the 2019 financial year, which corresponds with the 2019 calendar year. It goes without saying that the entire world is now well aware of the pandemic that has struck and I have, as a consequence, split my comments and those of your Investment Manager into two: the factual coverage of 2019 itself and then an update on the effects of Covid-19 on Asia and our portfolio so far in 2020 with an outlook for the future.

Although 2019 posed plenty of challenges, it was another positive year for Asian equities and your Company's net asset value rose by a respectable 10.5%. The key worries throughout the year centred on the trade dispute between China and the US. On a day to day basis stock markets followed the see-sawing negotiations and posturing between these two nations. Eventually, by December, the tug-of-war gave way to an initial agreement in the form of a "phase one" deal, in which China pledged to protect American intellectual property and boost purchases of US goods and services. As the name "phase one" suggests, we do not expect this to be the end of the issue, and looking ahead we see further scope for tension, not least as relations may once again sour on the back of President Trump's allegations regarding China's transparency regarding the virus.

Such a backdrop has understandably added to concerns about slowing global economic growth, which at the beginning of 2019 prompted a quick about-turn in the direction of monetary policy. Governments, led by the

US, had just started moving interest rates upwards towards the end of 2018, but in the wake of poor economic data abruptly reversed direction, with a series of rate cuts to boost liquidity in the financial system and stave off a downturn. Since the end of the review period, the world has faced the rapid spread of the coronavirus (Covid-19) pandemic which has not only posed exceptional challenges for corporates but also affected our daily lives at a very personal level. Your Company aims to generate long term capital gains and dividend income from Asia and the response to Covid-19 has been varied across the region. In order to provide as much information as possible, we have been actively refreshing the Company's website with both written and podcast updates to cover what your Investment Manager is doing to batten down the hatches during this time of great uncertainty. We hope this will prove a useful resource to shareholders and will look to keep it updated regularly.

Performance

The 10.5% rise in your Company's net asset value (NAV) for the year ended 31 December 2019 was in line with the MSCI All Countries Asia Pacific ex Japan High Dividend Yield Index's 10.6% gain over the same period but behind the 14.9% return on the MSCI All Countries Asia Pacific ex Japan Index. The share price rose by 14.2% on a total return basis to 214.0p, narrowing the discount to 5.8% of the NAV per Ordinary Share. Your Company's robust performance can be attributed to your Investment Manager's astute approach in selecting high-dividend yielding stocks with robust balance sheets and well defined ESG frameworks, which is covered in more detail in the upcoming Investment Manager's review. Your Investment Manager's focus on steady income generation for your Company has resulted in an increase in dividend per share for investors for the 11th consecutive year.

Looking at stock markets more broadly, the year's performance was led by low-yielding stocks, primarily in the technology and internet spheres, leading to a rise in the benchmark MSCI All Countries Asia Pacific ex Japan Index of 14.9%. Despite the focus on income, our portfolio has also invested in technology stocks, where future growth trends are coupled with an attractive shareholder returns policy. Furthermore, while we have no exposure to the nil-yielding Chinese internet giant Alibaba, we have been steadily increasing our exposure to China, through our holdings in the insurance sector via Ping An, and property via China Resources Land, both stocks supporting healthy dividends.

The Investment Manager's Review will provide greater detail with regard to your Company's performance and portfolio, but there is one particular event I would like to point out. This involves your Company's longstanding investment in the high-yield bonds of G3 Exploration, a coalbed methane gas explorer and producer in China. The bonds ceased paying their coupon two years ago, and your Investment Manager has prudently not accrued any interest due in that time, while also reflecting the decline in the bond's market value as a consequence. During the year, it became more evident that the firm was finding it harder to realise its assets than had been promised. Hence, your Investment Manager marked down the value of the bonds further, to a level substantially below the previously traded price. Subsequent to that initial markdown, joint provisional liquidators were appointed to G3 Exploration, and your Investment Manager conservatively decided to value the bonds at zero as of the end of the period. The total write-down during the year was £4.4 million, which equates to 2.5p per share as at year's end. Your Investment Manager is working hard with the liquidators and other institutional investors to ensure that your Company's assets achieve their fullest possible value, and thereby recover some, if not all, of what your Company is due. I firmly believe that it was only wise to have taken this course of action. This is a particularly pertinent issue at this time coming in the wake of the Woodford Investment Management issues that have highlighted the importance of transparency and liquidity. It is worth noting that Aberdeen Asian Income Fund is a closed end vehicle, individual stock liquidity is monitored on a regular basis and there are no unlisted holdings in this Company.

Dividends

Four quarterly dividends were declared over 2019. The first three were paid at the rate of 2.25p with the fourth interim at 2.5p for the year, representing an increase in total dividends from 9.15p to 9.25p for the year. This increase maintains the trend that has been established over the last 11 years and means that the Company continues to be a "next generation dividend hero" as recognised by the Association of Investment Companies ("AIC"), having raised dividends for at least 10 years. The Directors have recently declared a maintained first interim dividend in respect of the year ending 31 December 2020 of 2.25p per share which will be payable on 22 May 2020 to Ordinary shareholders on the register on 24 April 2020. The level of the remaining three dividends for 2020 will be considered at each quarter end, at which point an announcement will be made by the Company.

Based upon the Ordinary Share price of 214.0p the shares were yielding 4.3% at year end. In the year to 31 December 2019, about £0.3 million has been transferred to the Company's revenue reserves after deducting the payment of the fourth interim dividend. The net revenue reserve amounts to £11.0 million (about 6.2p per

Share) and any decision as to whether this will be utilised in 2020 (and by how much) will be taken at the time of each of the remaining quarterly dividend declarations.

These reserves have been deliberately accumulated over the past decade and I am pleased to say that they cover two thirds of the annual dividend payment. Whilst we have not yet needed to use these reserves, it provides an added level of comfort to your Company's ability to pay dividends as Covid-19 impacts revenues and earnings across Asia. Significant movements in the value of sterling may also impact the level of earnings from the portfolio as the Company earns dividends in local Asian currencies and pays out its dividend to shareholders in sterling. The Board is conscious of the ongoing demand for yield and will continue to aim to reward shareholders when possible to do so. We are proud to have maintained a progressive policy despite the various economic, political and currency fluctuation risks seen both in Asia and in the UK since your Company's inception.

Share Capital Management

In line with the Board's policy to buy back shares when the discount at which the Company's shares trade exceeds 5% to the underlying NAV exclusive of income, the Company has continued to buy back its shares for treasury. During the year the Company bought back 1,038,713 shares for treasury at a discount. Subsequent to the year end we have continued to buy back shares and a total of 582,285 further shares have been acquired. These buybacks are accretive to the Company's NAV and benefit all shareholders. The Company will continue selectively to buy back shares in the market, in normal market conditions and at the discretion of the Board, when the discount exceeds 5% of the NAV (ex income) over the longer term. During the year the level of discount at which the Ordinary shares traded has tightened from 8.5% to 5.8%. At the time of writing the Ordinary Shares are trading at a discount of 12.2% to the prevailing NAV.

Gearing

At the year end the Company had an unsecured three year £40 million revolving loan facility with Scotiabank and a fully drawn three year £10 million term facility with Scotiabank Europe. The Company's total gearing at the year-end amounted to the equivalent of £36.0 million representing net gearing of 8.1% (2018 – 8.9%). Net gearing is normally within the range of 2% to 10% and the Directors expect to maintain this approximate range in the future.

On 9 April 2020 the Company confirmed that it had renewed the £40 million revolving credit facility with Scotiabank for one year. HKD212.5 million and US$ 7.16m (equivalent to approximately £27.9m) has been drawn down under the facility at all-in rates of 3.14% and 2.21% respectively.

Ongoing Charges Ratio ("OCR")

I wrote last year that the Board will continue to keep all costs under careful review in the future and the Board remains focussed upon delivering value to shareholders and regularly reviews the OCR. It is pleasing to note that the OCR has fallen from 1.11% to 1.08% during the year reflecting in part this emphasis on cost control. As part of a review of costs, the Board has negotiated a reduction in the level of the investment management fee payable to the Investment Manager. With effect from 1 January 2020, the company secretarial fee has been removed and the management fee will be calculated on the following new tiered basis:

(i) Average Value up to £350m – 0.85% per annum; and
(ii) Average Value in excess of £350m – 0.65% per annum.

The Management Fee is calculated and accrued on a monthly basis (being 1/12th of the value resulting from the sum of (i) plus (ii) above) and shall be payable quarterly in arrears. This reduction in the level of management fee should flow through to a reduction in the OCR in future years all things being equal. The Directors will continue to review the Company's expenses closely to ensure that they are in line with the market. On an annualised basis and using the year end net asset value, the reductions discussed above would reduce costs by approximately £241,000.

AGM

On 30 March 2020, the Government of Jersey implemented new measures to manage the Covid-19 pandemic in Jersey that, among other things, restricted public gatherings to no more than two people and required that leaving one's home should only be for essential purposes. These largely reflected the Stay at Home measures implemented by the UK Government on 26 March 2020 in the UK. Since then, the Government of Jersey has established a Safe Exit Framework and there has been some relaxation of the Stay at Home Measures with Islanders now permitted outside their homes for a maximum of six hours a day where they may meet with five people who are not from their household. Travel to the Island of Jersey is extremely restricted and quarantine requirements are imposed. It is unclear how long these restrictions will be in place and when any further relaxation of measures will occur. The safety, security and health of the

Company's shareholders, their guests and our advisers, including the Manager and Investment Manager's personnel, is of paramount importance to the Board. Accordingly, in view of the Government of Jersey's Stay at Home measures, this year the Board has decided not to hold the Company's AGM in May and instead hold the AGM in July.

Therefore this year your Company's AGM will be held at 10:30 a.m. on 22 July 2020 at the Company's registered office, 1st Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB.

Should the Stay at Home measures remain in place in July, Shareholders are strongly discouraged from attending the meeting and indeed entry may be refused if Government of Jersey guidance so requires. Arrangements will be made by the Company to ensure that a minimum number of shareholders required to form a quorum will attend the meeting in order that the meeting may proceed.

As there is a strong possibility that Shareholders may not be able to attend the AGM in person, where possible, I would encourage you, in advance of the AGM, to lodge your vote either electronically via the registrar's online portal at signalshares.com or by completion and return of a proxy (for direct shareholders) or a letter of direction (for Aberdeen Standard Investment Plan Participants).

The situation in relation to Covid-19 continues to evolve and the Company will update Shareholders on any changes to the above arrangements for the AGM through its website at www.asian-income.co.uk. Shareholders are advised to check the Company's website for updates. We trust that Shareholders will be understanding and supportive of this approach.

We always welcome questions from our Shareholders at the AGM but this year, given the format and the prevailing circumstances, we would ask Shareholders to submit their questions to the Board prior to the meeting. The Board and/or Investment Manager will respond to all such questions received either before or after the AGM. You may submit questions to the Board and Investment Manager in advance by e-mail to Asian.Income@aberdeenstandard.com.

The proposed resolutions are explained fully in the Directors' Report on pages 52 to 54 of the published Annual Report for the year ended 31 December 2019.

Audit Tender

In accordance with best practice, during the year the Audit Committee conducted a tender for independent audit services. Following a detailed review process, culminating in interviews with a shortlist of candidate firms, the Board was pleased to accept the recommendation of the Audit Committee to appoint KPMG Channel Islands Limited as independent auditor.

Directorate and Succession Planning

The Directors are aware that the Company suffers withholding tax on certain dividends which might not arise if it was tax resident in the UK rather than Jersey. The Directors continue to monitor the situation whilst the UK's post-Brexit negotiations are conducted, but would only consult stakeholders about the possibility of a change of tax residence if there was evidence of it producing a material and enduring net benefit. As the composition of the Board would be influenced by the Company's tax residence and given the market uncertainty as a result of the Covid-19 pandemic, the Directors have decided to extend my term as Chairman one year beyond the ninth anniversary of my appointment as a Director, to allow for the appropriate Board succession to be determined.

Environmental, Social and Governance ("ESG") Investing

The Board remains very conscious of the need for balance between the pursuit of performance and the positive broader impact of investing with ESG goals in mind. To this end the Board has engaged extensively with the management team and has met with the relevant ESG teams in Singapore during its most recent annual Board trip to the Far East. The Directors will continue to engage positively with the Investment Manager to provide support and encouragement to the team in the knowledge that companies with good ESG practices will be the winners over the longer term. Further details of the work undertaken, including case studies, are provided on pages 40 and 41 of the published Annual Report for the year ended 31 December 2019.

Outlook

The outbreak of the Covid-19 pandemic proves once more that uncertainty is often just around the corner. Covid-19 has now rapidly spread worldwide and panic and fear have driven markets down whilst travel bans and lockdowns have had serious implications for tourism, travel and consumption-related companies.

My fellow Directors and I are aware of the significant challenges faced by all countries due to the pandemic. Contrary to what has been experienced in Europe, most Asian governments have not intervened on dividend policies in the private sector space. The bulk of your Company's holdings have calendar year ends and the final dividends have already been declared. The concern now is for dividend decisions for the year ahead which naturally vary from business to business although the risk is clearly to the downside.

Financials stands out as a vulnerable sector in this respect, especially key banking institutions as seen in the UK. By geography, Australia, an important Asia-Pacific dividend market, is likely to face downward pressure on dividends to conserve balance sheets and we have already witnessed a slew of pre-emptive equity raisings in this market.

Notwithstanding these headwinds, the fact that governments and central banks in Asia show commitment in maintaining a supportive policy environment is reassuring. Strict measures imposed early on have seen China begin to emerge from its peak infection curve level with a gradual re-opening of factories and retail shops, which offers hope for the rest of the world. In the meantime, I remain confident that your Investment Manager's unwavering focus on picking high-quality companies with solid financials, experienced management and conservative investment strategies will continue to benefit the Company. These businesses are less likely to need to rely on bank borrowings and have a greater ability to stand on their own feet to weather the storm. The high volatility seen in Asian equity markets has created opportunities to buy defensive stocks at cheaper prices which will ultimately benefit from the underlying growth in Asia over a longer time horizon. Furthermore, your Company's revenue reserves, which have been accumulated over the past decade for precisely this reason, play an important role in smoothing out the income stream for shareholders in extraordinary market circumstances.

Charles Clarke,
Chairman
14 May 2020

STRATEGIC REPORT - INVESTMENT MANAGER'S REVIEW

Q: How did Aberdeen Asian Income Fund perform in 2019?

A. The Company returned a positive 10.5% in Sterling NAV terms (total returns) over the year coupled with a dividend yield of 4.3%. As a fellow investor in the Company, this return was particularly pleasing during a time when markets were driven by rising risk appetite on hopes of softening trade tensions and stimulus measures. Although our quality and income-focused investment style was not in favour last year, the portfolio holdings were able to capture some of the growth rally while maintaining an attractive payout for shareholders. The Company has declared an 11th consecutive year of dividend increase, which has been wholly paid out of the dividend collected from the underlying stocks. The higher return comes despite the British pound strengthening against Asian currencies towards the end of the year as fears of a hard Brexit receded.

Q: Which stocks were the top contributors to performance?

A. Our top five stocks in 2019 were a combination of technology companies and businesses that rely on Chinese consumption growth.

The Asian technology sector has a long tail of companies and we have been able to add value by picking the industry leaders which can outperform over the business cycle thanks to their scale advantages. Taiwan-based TSMC is the world's largest foundry, producing the raw material that feeds into the memory chip industry where Samsung Electronics enjoys the lion's share of the global market. Thanks to continued investments to stay at the forefront of new technology, both companies generate strong free cash flows and boast significant cash piles which are supportive of shareholder distributions. Looking forward, we expect both TSMC and Samsung Electronics to benefit from demand growth coming from the roll-out of 5G networks globally, artificial intelligence and cloud computing.

Although China's growth has moderated from prior levels, the government's effort to prop up the economy provided downside protection to equities. Yum China, Rio Tinto and China Resources Land were all beneficiaries of Chinese consumption, providing exposure across industrial production and consumer spending on the mainland. As you can see, not all of these companies are listed on the Chinese stock exchange but their share prices are nonetheless driven by the health of the Chinese economy. As volatility looks set to persist into 2020 with subsequent phases of the trade agreement to be hammered out and consumers curtailed by Covid-19, we will continue to monitor the markets and make use of any valuation opportunities that uncertainty throws up for the patient investor.

Q: Which stocks performed the worst?

A. As central banks across Asia acted alongside global peers to ease monetary policy and support domestic growth, the lower interest-rate environment reduced profit margins for the banking sector. This was particularly true for the international banks that had to reprice loans at a lower level and manage a reduction in trade flows across the region. Both HSBC and Singapore's OCBC are in the top 10 largest positions within the portfolio and have been detractors over the year. With well-capitalised balance sheets, both banks have been among the top dividend payers for the Company historically. Unfortunately, the banking sector has been particularly affected by the Covid-19 pandemic as one of the key conduits of government policy to the real economy. We have seen regulatory intervention on banks' dividend decisions in the UK and the US, and similar discussions were underway in Australia at the time of writing. The temporary dividend holiday enforced on UK banks is very different to a dividend cut driven by financial distress, overleveraged balance sheets or poor quality management.

LG Chem shares performed below our expectations as the company implemented protective measures to counter and prevent future safety issues on its large-scale energy storage batteries. This is an important step ahead of its overseas expansion plans to benefit from the growing regulatory trend for alternative energy sources that require storage solutions. Furthermore, we believe that electric vehicle production is fast approaching a tipping point that bodes well for LG Chem's EV batteries business, which is used by global car manufacturers including GM, Ford and Volkswagen.

Elsewhere, we have been reducing our position in Giordano throughout the year as we believe the dividend yield will not be sustainable against the backdrop of a challenging Hong Kong retail environment. As indicated by the Chairman in his statement, we have also prudently impaired our holding in G3 Exploration bonds to reflect the complex nature of the sales process required to obtain a fair value for the underlying coalbed methane gas assets. We are working with the joint provisional liquidators and other institutional investors to recover the fullest possible value for these producing assets.

Q: How do we pick stocks for the portfolio?

A. Our investment philosophy is to find good quality companies that offer both capital growth and an attractive dividend story over the long term. We have a team of more than 40 analysts based on the ground across Asia meeting companies and uncovering often-mispriced opportunities. Our in-house investment process based on fundamental analysis enables us to identify businesses that are easy to understand, with a clear earnings growth trajectory that underpins the sustainability of their dividends. Our holdings are typically industry leaders with strong balance sheets and a focus on profitability that stems from their competitive advantage on factors including, but not limited to, costs, brands, distribution, supply chain or knowhow. Through this bottom-up stock selection process, we have constructed a diversified portfolio that shows lower gearing and higher returns compared to the Asian benchmark, whilst still providing exposure to longer term growth trends.

For example, we identified electric vehicles as a critical component of the global shift away from fossil fueled internal combustion engines as the predominant driver of transportation. As electric vehicles were still only a small proportion of vehicle fleet production for the large OEMs, we began to look further up the supply chain to find key component suppliers which would be core to the electrification of transport globally. Two years ago we initiated a position in LG Chem, a Korean company with a cash cow chemicals business that had steadily invested in large battery technology to be a one of the leaders in batteries for power storage and electric vehicles globally. Our due diligence on the company included discussions around LG Chem's Environmental, Social and Governance (ESG) frameworks and its efforts over time to advocate international environmental and safety standards within its own operations as well as to raise standards through its supply chain. At the time of writing, LG Chem is investigating the cause of a gas leak at its subsidiary plant in India and the remedial measures necessary with all stakeholders, which includes the local community. LG Chem's actions and communication efforts on the social and environmental impact have been quick and open, and we are in active engagement with the company.

Our presence in the region for over 25 years has enabled us to build a cumulative understanding of corporate management in Asia. Over this time we have developed and enhanced our ESG framework to reflect emerging themes that impact our holdings on a financial basis.

Q: What have been the most significant portfolio changes in 2019?

A. Australia and Singapore are the highest dividend paying markets, which explains why we have chosen to have our highest exposures to these markets. However, we are increasingly finding new companies in faster growth countries and sectors which are improving their shareholder returns policies and offering attractive total returns. A natural result has been to reduce our positions in Australia and Singapore in order to fund these new ideas. We sold down our Australian banks holdings following a strong first half share-price performance as valuations looked stretched heading into a lower rate environment. We also exited Hong Leong Finance, a mid-sized bank in Singapore, given that the fund already owns the three large Singapore banks that offer better returns and higher dividend yields.

We also initiated Ascendas India Trust, which owns a portfolio of business parks and logistics properties across India. The Trust itself is listed in Singapore which offers cheaper financing for property transactions and better disclosures for investors. Rental growth is well supported as its quality assets have attracted a diversified range of tenants with an end-customer skew towards IT services – a sector that continues to generate attractive growth and employment opportunities. This provides a good dividend yield for shareholders as well as opportunity for further capital appreciation alongside Acendas India Trust's property pipeline. We believe there is further mileage over the longer term from their expansion into the modern warehouse sector, property acquisitions and positive rental reversions, which is supportive of shareholder returns in the future.

Q. Why is everyone talking about ESG?

A. Growing global concerns about ESG issues have propelled ESG from the fringes of the asset management industry to its mainstream. As long-term investors, we have long held the belief that ESG information and analysis should be explicitly embedded into our due diligence and portfolio construction process. In our opinion, ESG assessment and integration enhances returns as corporates with robust ESG practices tend to enjoy long term financial benefits. Informed and constructive engagement helps foster better corporate practices, protecting and enhancing the value of your Company's investments.

We actively engage with your Company's holdings to share and encourage better governance practices. This includes discussions around AGM agenda items as we instruct all proxy votes across all holdings within the portfolio as well as targeted engagements on specific issues. Last year, for example, we spoke to the management of Yum China, which operates restaurant chains across China, about various supply chain issues around food and packaging quality. The company has since blacklisted suppliers known to be engaged in illegal deforestation and remains receptive to shareholder feedback that promotes further ESG improvements.

Q: What is the outlook for dividends in Asia?

A. The sharp rally in growth stocks over the past year has resulted in quality and income stocks underperforming the broader market. This means that good quality dividend-paying companies are trading at relatively attractive levels, providing us with an opportunity to add to the portfolio at compelling valuations.

However, no one could have prepared for the Covid-19 pandemic and its far reaching repercussions across the world. As manufacturing closures and sweeping lock down measures feed through to lower revenues and profits, companies are facing the difficult decision of whether to pay or not pay dividends. In normal circumstances, a dividend cut is considered a negative signal that reflects poorly on capital management and treatment of minority shareholders. However, we are far from normal today and the decision to not pay dividends can help pay wages and protect the balance sheet from what could still be a long and arduous journey.

We have already seen a reduction in travel and leisure activities and if the spread of Covid-19 is not contained, companies could take a more prudent approach to new capital expenditures and increasingly hoard cash on the balance sheet which could have a further negative effect on growth and dividends. Global mobility restrictions are forcing companies to postpone Annual General Meetings (AGMs) to comply with quarantine laws. AGMs are where shareholders vote to approve dividends so this is having a knock on effect which will shift dividend collection in 2020 towards the latter end of the year.

Although nobody can accurately predict when the world will return to normal, what remains consistent is our investment philosophy that targets sustainable growth, both in capital and in dividends, over the long term. Our holdings are cash-generative businesses with exposure to structural growth trends and strong financial positions that give us confidence that they can stay resilient if conditions deteriorate.

Aberdeen Standard Investments (Asia) Limited,

Investment Manager
14 May 2020

STRATEGIC REPORT – OVERVIEW OF STRATEGY

Launched in December 2005, Aberdeen Asian Income Fund Limited (the "Company") is registered with limited liability in Jersey as a closed-end investment company under the Companies (Jersey) Law 1991 with registered number 91671. The Company's Ordinary Shares are listed on the premium segment of the London Stock Exchange.

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

Business Model
The Company aims to attract long term private and institutional investors wanting to benefit from the growth prospects of Asian companies including those with above average dividend yields.
The business of the Company is that of an investment company and the Directors do not envisage any change in this activity in the foreseeable future.

Investment Policy
Asset Allocation
The Company primarily invests in the Asia Pacific region through investment in:

- companies listed on stock exchanges in the Asia Pacific region;
- Asia Pacific securities, such as global depositary receipts (GDRs), listed on other international stock exchanges;
- companies listed on other international exchanges that derive significant revenues or profits from the Asia Pacific region; and
- debt issued by governments or companies in the Asia Pacific region or denominated in Asia Pacific currencies.

The Company's investment policy is flexible, enabling it to invest in all types of securities, including equity shares, preference shares, debt, convertible securities, warrants and other equity-related securities. The Company is free to invest in any market segments or any countries in the Asia Pacific region. The Company may use derivatives to enhance income generation.

The Company invests in small, mid and large capitalisation companies. The Company's policy is not to acquire securities that are unquoted or unlisted at the time of investment (with the exception of securities which are about to be listed or traded on a stock exchange). However, the Company may continue to hold securities that cease to be quoted or listed if the Investment Manager considers this to be appropriate. Although it has not done so since the launch of the Company, it may enter into stock lending contracts and intends to undertake limited stock lending activity in 2020.

Typically, the portfolio will comprise of between 40 and 70 holdings (but without restricting the Company from holding a more or less concentrated portfolio in the future).

Risk Diversification
The Company will not invest more than 10%, in aggregate, of the value of its Total Assets in investment trusts or investment companies admitted to the Official List, provided that this restriction does not apply to investments in any such investment trusts or investment companies which themselves have stated investment policies to invest no more than 15% of their Total Assets in other investment trusts or investment companies admitted to the Official List. In any event, the Company will not invest more than 15% of its Total Assets in other investment trusts or investment companies admitted to the Official List.

In addition, the Company will not:

- invest, either directly or indirectly, or lend more than 20% of its Total Assets to any single underlying issuer (including the underlying issuer's subsidiaries or affiliates), provided that this restriction does not apply to cash deposits awaiting investment;

- invest more than 20% of its Total Assets in other collective investment undertakings (open-ended or closed-ended);
- expose more than 20% of its Total Assets to the creditworthiness or solvency of any one counterparty (including the counterparty's subsidiaries or affiliates);
- invest in physical commodities;
- take legal or management control of any of its investee companies; or
- conduct any significant trading activity.

The Company may invest in derivatives, financial instruments, money market instruments and currencies for investment purposes (including the writing of put and call options for non speculative purposes to enhance investment returns) as well as for the purpose of efficient portfolio management (i.e. for the purpose of reducing, transferring or eliminating investment risk in the Company's investments, including any technique or instrument used to provide protection against foreign exchange and credit risks). For the avoidance of doubt, in line with the risk parameters outlined above, any investment in derivative securities will be covered.

The Investment Manager expects the Company's assets will normally be fully invested. However, during periods in which changes in economic conditions or other factors so warrant, the Company may reduce its exposure to securities and increase its position in cash and money market instruments.

Gearing Policy
The Board is responsible for determining the gearing strategy for the Company. The Board has restricted the maximum level of gearing to 25% of net assets although, in normal market conditions, the Company is unlikely to take out gearing in excess of 15% of net assets. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where this is considered appropriate. Borrowings are generally short term, but the Board may from time to time take out longer term borrowings where it is believed to be in the Company's best interests to do so. Particular care is taken to ensure that any bank covenants permit maximum flexibility of investment policy.

The percentage investment and gearing limits set out under this sub-heading "Investment Policy" are only applied at the time that the relevant investment is made or borrowing is incurred. In the event of any breach of the Company's investment policy, shareholders will be informed of the actions to be taken by the Investment Manager by an announcement issued through a Regulatory Information Service or a notice sent to shareholders at their registered addresses.

The Company may only make material changes to its investment policy (including the level of gearing set by the Board) with the approval of shareholders (in the form of an ordinary resolution). In addition, any changes to the Company's investment objective or policy will require the prior approval of the Financial Conduct Authority as well as prior consent of the Jersey Financial Services Commission ("JFSC") to the extent that the changes materially affect the import of the information previously supplied in connection with its approval under Jersey Funds Law or are contrary to the terms of the Jersey Collective Investment Funds laws.

Duration
The Company does not have a fixed life.

Comparative Indices
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. The Company compares its performance against the currency-adjusted MSCI AC Asia Pacific (ex Japan) Index and the currency-adjusted MSCI AC Asia Pacific (ex Japan) High Dividend Yield Index.

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

The purpose of the Company is to act as a vehicle to provide, over time, financial returns (both income and capital) to its shareholders. The Company's Investment Objective is disclosed on page 18 of the published

Annual Report for the year ended 31 December 2019. The activities of the Company are overseen by the Board of Directors of the Company.

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

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

Shareholder Engagement
The following table describes some of the ways we engage with our shareholders:

AGM	The AGM provides an opportunity for the Directors to engage with shareholders, answer their questions and meet them informally. The next AGM will take place on 22 July 2020 in Jersey. We encourage shareholders to lodge their vote by proxy on all the resolutions put forward.
Annual Report	We publish a full annual report each year that contains a strategic report, governance section, financial statements and additional information. The report is available online and in paper format.
Company Announcements	We issue announcements for all substantive news relating to the Company. You can find these announcements on the website.
Results Announcements	We release a full set of financial results at the half year and full year stage. Updated net asset value figures are announced on a daily basis.
Monthly Factsheets	The Manager publishes monthly factsheets on the Company's website including commentary on portfolio and market performance.
Website	Our website contains a range of information on the Company and includes a full monthly portfolio listing of our investments as well as podcasts by the Investment Manager. Details of financial results, the investment process and Investment Manager together with Company announcements and contact details can be found here: asian-income.co.uk
Investor Relations	The Company subscribes to the Manager's Investor Relations programme (further details are on page 24 of the published Annual Report for the year ended 31 December 2019).

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

Principal Decisions

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

Portfolio The Investment Manager's Review details the key investment decisions taken during the year and subsequently. The Investment Manager has continued to monitor the investment portfolio throughout the year under the supervision of the Board. A list of the key portfolio changes can be found on page 14 of the published Annual Report for the year ended 31 December 2019.

Gearing The Company utilises gearing in the form of bank debt with the aim of enhancing shareholder returns over the longer term. Subsequent to the year end, the Board has renewed the £40m revolving credit facility for a further 12 month period maturing in April 2021.

Share Buybacks During the year, the Board has continued to buy back Ordinary shares opportunistically in order to manage the discount by providing liquidity to the market.

ESG As highlighted on pages 40 and 41 of the published Annual Report for the year ended 31 December 2019, the Board is responsible for overseeing the work of the Investment Manager and this is not limited solely to the investment performance of the portfolio companies. The Board also has regard for environmental, social and governance matters that subsist within the portfolio companies. The Board has conducted regular meetings and met with the Investment Manager's ESG team in Singapore in order to discuss the Manager's principles and policies. The Board is supportive of the Investment Manager's pro-active approach to ESG engagement.

Audit In accordance with best practice the Audit Committee conducted an audit tender to select a new independent auditor. Having established the needs of the Company, a number of audit firms were invited to tender. Following a detailed review and interview process, KPMG Channel Islands Limited was selected and the new independent auditor's appointment was approved by shareholders at the Annual General Meeting in May 2019.

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

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

KPI	**Description**
Dividend Payments per Ordinary Share	The Board aims to grow the Company's dividends over time. Dividends paid over the past 10 years are set out on page 26 of the published Annual Report for the year ended 31 December 2019.
Performance and NAV	The Board considers the Company's NAV total return figures to be the best indicator of performance over time and these are therefore the main indicators of performance used by the Board. A graph showing the total NAV return against the MSCI AC Asia Pac. (ex Japan) Index and the MSCI AC Asia Pac. (ex Japan) High Dividend Yield Index is shown on page 27 of the published Annual Report for the year ended 31 December 2019.
Performance against Indices	The Board measures Share Price and NAV performance against the MSCI AC Asia Pac. (ex Japan) Index and the MSCI AC Asia Pac. (ex Japan) High Dividend Yield Index on a total return basis. Graphs showing performance are shown on page 27 of the published Annual Report for the year ended 31 December 2019. The Board also monitors performance relative to competitor investment companies over a range of time periods, taking into consideration the differing investment policies and objectives of those companies. The Board measures performance over a time horizon of at least five years.
Discount/Premium to NAV	The discount/premium relative to the NAV per share represented by the share price is closely monitored by the Board. The objective is to maintain the price at which the Ordinary Shares trade relative to the exclusive of current period income NAV at a discount of no more than 5% as well as to avoid large fluctuations in the discount/premium relative to similar investment companies investing in the region by the use of share buy backs or the issuance of new shares, subject to market conditions. A graph showing the share price

	premium/(discount) relative to the NAV is also shown on page 27 of the published Annual Report for the year ended 31 December 2019 .
Ongoing Charges Ratio	The Board monitors the Company's operating costs carefully. Ongoing charges for the year and previous year are disclosed on page 4 of the published Annual Report for the year ended 31 December 2019 .
Gearing	The Board ensures that gearing is kept within the Board's guidelines to the Manager.

Risk Management

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial condition, performance and prospects. The Board has undertaken a robust review of the principal risks and uncertainties facing the Company including those that would threaten its business model, future performance, solvency or liquidity. Those principal risks are disclosed in the table below together with a description of the mitigating actions taken by the Board. The principal risks associated with an investment in the Company's Shares are published monthly on the Company's factsheet or they can be found in the pre-investment disclosure document published by the Manager, both of which are available on the Company's website.

The Board reviews the risks and uncertainties faced by the Company in the form of a risk matrix and heat map at its Audit Committee meetings and a summary of the principal risks are set out below. The Board also has a process to consider emerging risks and if any of these are deemed to be significant these risks are categorised, rated and added to the risk matrix. Although the uncertainty surrounding the timing of Brexit has now abated, economic risk for the Company remains, in particular currency volatility may adversely affect the translation rates of future earnings from the portfolio following the expiry of the transitional arrangements in January 2021.

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

In all other respects, the Company's principal risks and uncertainties have not changed materially since the date of this Annual Report and are not expected to change materially for the current financial year.

Description	**Mitigating Action**
Investment strategy and objectives – the setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand may lead to poor performance, the Company becoming unattractive to investors, a decreased demand for shares and a widening discount.	The Board keeps the investment objective and policy as well as the level of discount and/or premium at which the Company's Ordinary Shares trade under review. In particular there are periodic strategy discussions where the Board reviews the Investment Manager's investment processes, analyses the work of Aberdeen Standard Investments' promotional and investor relations teams and receives reports on the market from the Broker. In particular, the Board is updated at each Board meeting on the make up of and any movements in the shareholder register. Details of the Company's discount control mechanism are disclosed in the Directors' Report on page 53 of the published Annual Report for the year ended 31 December 2019 .
Investment portfolio, investment management – investing outside of the investment restrictions and guidelines set by the Board could result in poor performance and an inability to meet the Company's objectives or a regulatory breach.	The Board sets, and monitors, its investment restrictions and guidelines, and receives regular reports which include performance reporting on the implementation of the investment policy, the investment process and application of the Board guidelines. The Investment Manager is represented

	at all Board meetings.
Financial obligations - the ability of the Company to meet its financial obligations, or increasing the level of gearing, could result in the Company becoming over-geared or unable to take advantage of potential opportunities and result in a loss of value to the Company's Ordinary Shares.	The Board sets a gearing limit and receives regular updates on the actual gearing levels the Company has reached from the Investment Manager together with the assets and liabilities of the Company and reviews these at each Board meeting.
Financial and regulatory – the financial risks associated with the portfolio could result in losses to the Company. In addition, failure to comply with relevant regulation (including Jersey Company Law, the Financial Services and Markets Act, The Packaged Retail and Insurance-based Investment Products (PRIIPS) Regulation, the Alternative Investment Fund Managers Directive, Accounting Standards and the FCA's Listing Rules, Disclosure Guidance and Transparency Rules and Prospectus Rules) may have an impact on the Company.	The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are mitigated in conjunction with the Investment Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 18 to the financial statements. The Board relies upon the Standard Life Aberdeen Group to ensure the Company's compliance with applicable law and regulations and from time to time employs external advisers to advise on specific concerns.
Operational – the Company is dependent on third parties for the provision of all systems and services (in particular, those of the Standard Life Aberdeen Group) and any control failures and gaps in these systems and services could result in a loss or damage to the Company.	The Board monitors operational risk and as such receives internal controls and risk management reports from the Investment Manager at each Board meeting. It also receives assurances from all its significant service providers, as well as back to back assurance from the Manager at least annually. The Board has also received regular and frequent updates on the implications for the Manager's and Investment Manager's operations of the Covid-19 pandemic. Further details of the internal controls which are in place are set out in the Directors' Report on pages 50 to 52 of the published Annual Report for the year ended 31 December 2019.
Income and dividend risk - there is a risk that the portfolio could fail to generate sufficient income to meet the level of the annual dividend, thereby drawing upon, rather than replenishing, its revenue and/or capital reserves.	The Board monitors this risk through the review of income forecasts, provided by the Investment Manager, at each Board meeting.

Promoting the Company

The Board recognises the importance of communicating the long-term attractions of the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's Ordinary Shares. The Board believes an effective way to achieve this is through subscription to and participation in the promotional programme run by Aberdeen Standard Investments on behalf of a number of investment companies under its management. The Company also supports the Aberdeen Standard Investments investor relations programme which involves regional roadshows and promotional and public relations campaigns. The purpose of these initiatives 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 programmes is matched by the Manager. The Group's marketing team reports quarterly to the Board giving analysis of the promotional activities as well as updates on the shareholder register and any changes in the make up of that register. The Company, through the Manager, has also commissioned independent paid-for research which has been undertaken by Edison Investment Research Limited and a copy of the latest research is available for download from the Company's website, asian-income.co.uk.

Board Diversity

The Board recognises the importance of having a range of skilled, experienced individuals with the right knowledge represented on the Board in order to allow the Board to fulfil its obligations. The Board also recognises the benefits, and is supportive, of the principle of diversity in its recruitment of new Board members, including diversity of thought, location and background. The Board will not display any bias for age, gender, race, sexual orientation, religion, ethnic or national origins, or disability in considering the appointment of its Directors. The Board will continue to ensure that all appointments are made on the basis of merit against the specification prepared for each appointment. At 31 December 2019, the Company did not have any employees and there were four male Directors and two female Directors on the Board. There are two Directors based in Singapore, two Directors based in Jersey and two Directors based in the UK.

Environmental, Social and Human Rights Issues
The Company has no employees as management of the assets is delegated to Aberdeen Standard Capital International Limited and sub-delegation to Aberdeen Standard Investments (Asia) Limited. There are therefore no disclosures to be made in respect of employees.

Due to the nature of the Company's business, being a Company that does not offer goods and services to customers, the Board considers that it is not within the scope of the Modern Slavery Act 2015 because it has no turnover. The Company, therefore, is not required to make a slavery and human trafficking statement.

Global Greenhouse Gas Emissions
The Company has no greenhouse gas emissions to report from the operations of its business, nor does it have direct responsibility for any other emissions producing sources.

Socially Responsible Investment Policy
The Company supports the UK's Stewardship Code, and seeks to play its role in supporting good stewardship of the companies in which it invests. While the delivery of stewardship activities has been delegated to the Manager, the Board acknowledges its role in setting the tone for the effective delivery of stewardship on the Company's behalf.

Further details on stewardship may be found on page 52 of the published Annual Report for the year ended 31 December 2019.

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

- The principal risks detailed in the Strategic Report on pages 22 to 24 of the published Annual Report for the year ended 31 December 2019;
- The ongoing relevance of the Company's investment objective in the current environment;
- The demand for the Company's Shares evidenced by the historical level of premium and/or discount;
- The level of income generated by the Company;
- Current market conditions caused by the global spread of the Covid-19;
- The liquidity of the Company's portfolio; and,
- The flexibility of the Company's £40m and £10m loan facilities maturing in March and April 2021, including the related covenants and the Company successfully renegotiating loan terms over this time horizon. In advance of their maturities and subject to market conditions at the time the Directors will aim to renegotiate the loan facilities. If this is not possible then the Company will repay the loans using cash raised from the sale of investments.

Accordingly, taking into account the Company's current position, the fact that the Company's investments are mostly liquid and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of three years from the date of this Report. In making its assessment, the Board is also aware that there are other matters that could have an impact on the Company's prospects or viability in the future, including a greater than anticipated economic impact of the spread of Covid-19, economic shocks or significant stock market volatility caused by other factors, and changes in regulation or investor sentiment.

Future
Many of the non-performance related trends likely to affect the Company in the future are common across all closed ended investment companies, such as the attractiveness of investment companies as investment vehicles, the increased focus on environmental, social and governance factors when making investment decisions, the impact of regulatory changes and the effects of changes to the pensions and savings market in the UK in recent years. These factors need to be viewed alongside the outlook for the Company, both generally and specifically, in relation to the portfolio. The Board's view on the general outlook for the

Company can be found in my Chairman's Statement whilst the Investment Manager's views on the outlook for the portfolio are included on pages 14 and 15 of the published Annual Report for the year ended 31 December 2019.

The longer term impact of the Covid-19 pandemic and the outcome of the UK Government's Brexit discussions with the European Union are both unclear at the time of writing and increased economic risks remain for the Company. These include currency volatility which may adversely affect the translation rates of future earnings from the portfolio and stock market volatility affecting valuations.

Charles Clarke
Chairman
14 May 2020

STRATEGIC REPORT - RESULTS

FINANCIAL HIGHLIGHTS

Financial Highlights (capital return)

	31 December 2019	31 December 2018	% change
Total assets	£439,392,000	£419,128,000	+4.8
Total equity shareholders' funds (net assets)	£403,403,000	£382,199,000	+5.5
Market capitalisation	£380,047,000	£349,670,000	+8.7
Share price per Ordinary share{A}	214.00p	195.75p	+9.3
Net asset value per Ordinary share{A}	227.15p	213.96p	+6.2
Discount to net asset value per Ordinary share{B}	5.8%	8.5%	
MSCI AC Asia Pacific ex Japan Index (currency adjusted){A}	780.59	700.87	+11.4
MSCI AC Asia Pacific ex Japan High Dividend Yield Index (currency adjusted){A}	4,004.10	3,803.11	+5.3
Net gearing{B}	8.1%	8.9%	
Ongoing charges ratio{B}	1.08%	1.11%	
Dividend and earnings			
Total return per Ordinary share{C}	22.29p	(13.17p)	
Revenue return per Ordinary share{C}	9.42p	9.25p	+1.8
Dividends per Ordinary share{D}	9.25p	9.15p	+1.1
Dividend cover per Ordinary share{B}	1.02	1.01	
Revenue reserves{E}	£11,060,000	£10,740,000	
Yield{F}	4.3%	4.7%	

{A} Capital values.

{B} Considered to be an Alternative Performance Measure as defined on pages 102 and 103 of the published Annual Report for the year ended 31 December 2019.

{C} Measures the relevant earnings for the year divided by the weighted average number of Ordinary shares in issue (see note 9).

{D} The figure for dividends reflects the years in which they were earned (see note 8).

{E} The revenue reserves figure takes account of the fourth interim dividend amounting to £4,438,000 (2018 - fourth interim amounting to £4,286,000).

{F} Yield is calculated as the dividend per Ordinary share divided by the share price per Ordinary share expressed as a percentage.

PERFORMANCE (TOTAL RETURN)

	1 year	3 year	5 year	Since launch{B}

	% return	% return	% return	% return
Share price (Ordinary){A}	+14.2	+25.8	+34.4	+270.5
Net asset value{A}	+10.5	+21.2	+41.9	+368.4
MSCI AC Asia Pacific ex Japan Index (currency adjusted)	+14.9	+32.1	+62.2	+336.1
MSCI AC Asia Pacific ex Japan High Dividend Yield Index (currency adjusted)	+10.6	+23.2	+42.6	+306.9

{A} Considered to be an Alternative Performance Measure (see page 102 of the published Annual Report for the year ended 31 December 2019 for more details).
{B} Launch date being 20 December 2005.

DIVIDENDS PER ORDINARY SHARE

	Rate	xd date	Record date	Payment date
First interim 2019	2.25p	25 April 2019	26 April 2019	24 May 2019
Second interim 2019	2.25p	18 July 2019	19 July 2019	16 August 2019
Third interim 2019	2.25p	24 October 2019	25 October 2019	15 November 2019
Fourth interim 2019	2.50p	23 January 2020	24 January 2020	20 February 2020
2019	**9.25p**			
First interim 2018	2.25p	26 April 2018	27 April 2018	25 May 2018
Second interim 2018	2.25p	19 July 2018	20 July 2018	17 August 2018
Third interim 2018	2.25p	25 October 2018	26 October 2018	16 November 2018
Fourth interim 2018	2.40p	17 January 2019	18 January 2019	20 February 2019
2018	**9.15p**			

EXTRACTS FROM THE DIRECTORS' REPORT

Introduction
The Directors present their Report and the audited financial statements for the year ended 31 December 2019.

Results and Dividends
Details of the Company's results and dividends are shown on page 26 of the published Annual Report for the year ended 31 December 2019 and in note 8 to the financial statements. The Company's dividend policy is to pay interim dividends on a quarterly basis and for the year to 31 December 2019 dividends have been paid in May, August and November 2019 and February 2020. As at 31 December 2019 the Company's revenue reserves (adjusted for the payment of the fourth interim dividend) amounted to £11.0 million (approximately 6.2p per Ordinary Share).

Status
The Company is registered with limited liability in Jersey as a closed-end investment company under the Companies (Jersey) Law 1991 with registered number 91671. In addition, the Company constitutes and is regulated as a collective investment fund under the Collective Investment Funds (Jersey) Law 1988 and is an Alternative Investment Fund (within the meaning of Regulation 3 of the Alternative Investment Fund Regulations). The Company has no employees and makes no political donations. The Ordinary Shares are admitted to the Official List in the premium segment and are traded on the London Stock Exchange's Main Market.

The Company is a member of the Association of Investment Companies ("AIC").

Individual Savings Accounts

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

Capital Structure, Issuance and Buybacks

The Company's capital structure is summarised in note 14 to the financial statements. At 31 December 2019, there were 177,591,975 fully paid Ordinary Shares of no par value (2018 – 178,630,688) Ordinary Shares in issue. At the year end there were 17,341,414 Ordinary Shares held in treasury (2018 – 16,302,701).

During the year 1,038,713 (2018 - 4,651,533) Ordinary Shares were purchased in the market for treasury and no Ordinary Shares were issued or sold from treasury.

Subsequent to the period end 582,285 Ordinary Shares have been purchased in the market at a discount for treasury.

Voting Rights

Each Ordinary Share holds one voting right and shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary Shares, excluding treasury shares, carry a right to receive dividends. On a winding up or other return of capital, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings. There are no restrictions on the transfer of Ordinary Shares in the Company other than certain restrictions which may be applied from time to time by law.

Borrowings

The Company had an unsecured three year £40 million multi currency revolving facility agreement with Scotiabank (Ireland) Designated Activity Company which matured in April 2020. Under the terms of the facility the Company also had the option to increase the level of the commitment from £40 million to £60 million at any time, subject to the identification by the Investment Manager of suitable investment opportunities and the Lender's credit approval. The Company also has a fully drawn three year £10 million term facility with Scotiabank Europe PLC. The Company's total gearing at the year end amounted to the equivalent of £36.0 million representing net gearing of 8.1%.

On 9 April 2020 the Company confirmed that it had renewed the £40 million revolving credit facility with Scotiabank for one year. HKD212.5 million and US$ 7.16m has been drawn down under the facility at all-in rates of 3.13774% and 2.2135% respectively.

Management Arrangements

Change of Management Entity

On 30 September 2019 Aberdeen Private Wealth Management Limited ("APWML"), the Company's Manager and Company Secretary, merged with Aberdeen Standard Capital International Limited ("ASCIL") by way of the merger process set out in the Companies (Jersey) Law 1991, leaving ASCIL as the single on-going entity and the new contracting party to all of APWML's previous agreements. Following the merger, the on-going entity, ASCIL, has become the Company's Manager and Company Secretary with effect from 30 September 2019, on identical terms to the arrangements previously in place with APWML. ASCIL is a wholly owned subsidiary of Standard Life Aberdeen PLC.

The investment management of the Company continues to be delegated, from ASCIL, to Aberdeen Standard Investments (Asia) Limited and the changes outlined above had no impact upon shareholders.

Management Fee

Under the terms of a revised Management Agreement dated 21 March 2017, management services are provided by Aberdeen Standard Capital International Limited (as continuing entity following the merger with Aberdeen Private Wealth Management Limited). Further details of which are shown in note 5 to the financial statements. For the year to 31 December 2019 the Manager was entitled to receive a management fee payable quarterly in arrears based on an annual amount of 0.85% of the rolling monthly average NAV of the Company over the previous six months. The Manager was also entitled to a company secretarial and administration fee of £134,000 per annum.

During the year the Directors negotiated a new level of management fee with the Manager and with effect from 1 January 2020 the company secretarial fee has been removed and the management fee is calculated on the following new tiered basis:

(i) Average Value up to £350m – 0.85% per annum; and
(ii) Average Value in excess of £350m – 0.65% per annum.

The Management Fee is calculated and accrued on a monthly basis (being 1/12th of the value resulting from the sum of (i) plus (ii) above) and shall be payable quarterly in arrears.

Termination of the Management Agreement remains subject to six months' notice.

The Directors review the terms of the Management Agreement on a regular basis and have confirmed that, due to the investment skills, experience and commitment of the Investment Manager, in their opinion the continuing appointment of Aberdeen Standard Capital International Limited (formerly Aberdeen Private Wealth Management Limited) with the delegation arrangements to the Investment Manager, on the terms agreed, is in the interests of shareholders as a whole.

Risk Management
Details of the financial risk management policies and objectives relative to the use of financial instruments by the Company are set out in note 18 to the financial statements.

Substantial Interests
The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary Share capital of the Company at 31 December 2019:

Shareholder	No. of Ordinary Shares held	% held
Rathbones	20,412,880	11.5
1607 Capital Partners	17,252,487	9.7
Hargreaves Lansdown [A]	10,183,365	5.7
Interactive Investor	9,777,126	5.5
Brewin Dolphin	8,189,572	4.6
Aberdeen Standard Retail Plans [A]	7,585,881	4.3
Charles Stanley	7,525,781	4.3
Quilter Cheviot Inv. Management	5,929,752	3.3

[A] Non-beneficial interests

On 2 March 2020, 1607 Capital Partners notified the Company that its interest in the Ordinary shares had increased to 17,722,487 (10.0%). There have been no other changes notified in respect of the above holdings in the period from 31 December 2019 to 14 May 2020.

Directors
The Board currently consists of six non-executive Directors. Messrs Mark Florance, Ian Cadby, Charles Clarke, Hugh Young together with Ms Krystyna Nowak and Ms Nicky McCabe all held office throughout the year and were the only Directors in office during the year.

Governance
The names and biographies of each of the six current Directors are disclosed on page 45 of the published Annual Report for the year ended 31 December 2019 indicating their range of experience. Mr Young is non-independent and has served on the Board for more than nine years and, in accordance with corporate governance best practice, will retire at the Annual General Meeting on 22 July 2020 ("AGM") and, being eligible, offers himself for re-election. In accordance with Principle 23 of the AIC's Code of Corporate Governance which recommends that all directors should be subject to annual re-election by shareholders, all the members of the Board, will retire at the forthcoming AGM and will offer themselves for re-election. Details of each Directors' contribution to the long term success of the Company are provided on page 49 of the published Annual Report for the year ended 31 December 2019.

The Board considers that there is a balance of skills and experience within the Board relevant to the leadership and direction of the Company and that all the Directors contribute effectively. The Board has reviewed each of the proposed reappointments and concluded that each of the Directors has the requisite high level and range of business and financial experience and recommends their re-election at the forthcoming AGM.

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

Policy on Tenure
Directors are not currently required to serve on the Board for a limited period of time only. However, the Board's intention is to follow best practice in this area and for the independent Directors to serve for up to a maximum of nine years on the Board. Mr Clarke was appointed to the Board in 2012 and subsequently became Chairman in 2018. As explained in the Chairman's Statement, the current expectation is for Mr Clarke to retire from the Board at the AGM to be held in 2022 allowing for an orderly hand over of responsibilities to a successor.

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

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

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

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

The UK Code includes provisions relating to:

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

The Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has no executive directors, employees or internal operations. The Company has therefore not reported further in respect of these provisions.

The full text of the Company's Corporate Governance Statement can be found on the Company's website, asian-income.co.uk.

Directors have attended the following scheduled Board and Committee meetings during the year ended 31 December 2019 as follows (with their eligibility to attend the relevant meeting in brackets):

	Board	Audit	MEC	Nom
Total Meetings	4	2	1	1
C Clarke [A]	4 (4)	n/a	1 (1)	1 (1)
M Florance	4 (4)	2 (2)	1 (1)	1 (1)
I Cadby	4 (4)	2 (2)	1 (1)	1 (1)
N McCabe	4 (4)	2 (2)	1 (1)	1 (1)
K Nowak	4 (4)	2 (2)	1 (1)	1 (1)
H Young [B]	4 (4)	n/a	n/a	1 (1)

[A] Mr Clarke is not a member of the Audit Committee.
[B] Mr Young is not a member of the Audit or Management Engagement Committees.

In addition to the above meetings there have been a number of ad hoc Board Meetings to review and approve dividends and other operational matters such as loan facilities.

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 Investment Manager. Such matters include strategy, gearing, treasury and dividend policy. 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, performance and revenue budgets.

Board Committees
The Directors have appointed a number of Committees as set out below. Copies of their terms of reference, which clearly define the responsibilities and duties of each Committee, are on the Company's website. The terms of reference of each of the Committees are reviewed and re-assessed by the Board for their adequacy on an ongoing basis.

Audit Committee
The Audit Committee's Report is on pages 55 and 56 of the published Annual Report for the year ended 31 December 2019.

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

Nomination Committee
All appointments to the Board of Directors are considered by the Nomination Committee which comprises the entire Board and is chaired by the Chairman of the Company. Possible new Directors are identified against the requirements of the Company's business and the need to have a balanced Board. Every Director is entitled to receive appropriate training as deemed necessary. A Director appointed during the year is required, under the provisions of the Company's Articles of Association, to retire and seek election by shareholders at the next Annual General Meeting. The Articles of Association require that one third of the Directors retire by rotation at each Annual General Meeting.

The Company has put in place the necessary procedures to conduct, on an annual basis, an appraisal of the Chairman of the Board, Directors' individual self evaluation and a performance evaluation of the Board as a whole. During the year an independent board evaluation consultant, BoardAlpha Limited, undertook an in depth evaluation of the Board. The appraisal processes concluded that the Board continues to have a good balance of experience and considerable knowledge of Asian markets and works in a collegiate, efficient and effective manner under the leadership of an experienced and well regarded Chairman. The Board also reviewed the Chairman's and Directors' other commitments and is satisfied that the Chairman and other Directors are capable of devoting sufficient time to the Company. Given the ever changing regulatory environment, it was agreed to increase focus on continuing professional development and regulatory and accounting developments as well as future corporate governance changes. The Directors intend to conduct a self evaluation exercise in 2021 which will involve the use of self appraisal questionnaires followed up one on one meetings with the Chairman.

The independent members of the Committee have appraised each of the Directors standing for re-elections at the forthcoming AGM. The Chairman was appointed to the Board in 2012 and became Chair in 2018. He has continued to Chair meetings in an orderly, open and independent manner allowing sufficient time for key areas of focus whilst allowing all significant matters to be fully debated. Ms Nowak, was appointed to the Board in 2015 and became Senior Independent Director in 2018. She has continued to provide the Board with excellent strategic and governance direction during the year. Mr Cadby was appointed to the Board in 2016 and has provided the Company with expert insight into the management of derivatives as well as the benefit of his international fund management experience. Mr Florance was appointed to the Board in 2017 and has assumed the role of Audit Committee Chairman in 2018. He has chaired the Audit Committee expertly and being resident in Asia is able to bring direct experience of the investment region to the Board. Ms McCabe was appointed to the Board in 2018 and has brought detailed investment trust insight to the Board from her previous industry experience. Mr Young was appointed to the Board as a non independent Director at the launch of the Company in 2005 and has stood for annual re-election ever since. As head of the Investment Manager's Asia Pacific Region and being based in Singapore he is able to bring first hand investment vision to the Board.

Accordingly, the Board has no hesitation in recommending to shareholders the reappointment of each Director at the forthcoming AGM.

The Role of the Chairman and Senior Independent Director

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

The Senior Independent Director acts as a sounding board for the Chairman and acts as an intermediary for other directors, when necessary. Working closely with the Nomination Committee, the Senior Independent Director takes responsibility for an orderly succession process for the Chairman, and leads the annual appraisal of the Chairman's performance. The Senior Independent Director is also available to shareholders to discuss any concerns they may have.

Remuneration Committee

As the Company only has non-executive Directors, the Board has not established a separate Remuneration Committee and Directors' remuneration is determined by the Board as a whole. The Company's policy on Directors' remuneration, together with details of the remuneration of each Director, is set out in the Directors' Remuneration Report on pages 57 to 59 of the published Annual Report for the year ended 31 December 2019.

Management of Conflicts of Interests

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

No Director has a service contract with the Company although Directors are issued with letters of appointment upon appointment. The Directors' interests in contractual arrangements with the Company are as shown in note 20 to the financial statements. No other Directors had any interest in contracts with the Company during the period or subsequently.

The Company has a policy of conducting its business in an honest and ethical manner. The Company takes a zero tolerance approach to bribery and corruption and has procedures in place that are proportionate to the Company's circumstances to prevent them. The Standard Life Aberdeen Group also adopts a group-wide zero tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption. Copies of the Standard Life Aberdeen Group's anti-bribery and corruption policies are available on its website standardlifeaberdeen.com.

Going Concern

The Directors have undertaken a robust review of the Company's viability (refer to statement on page 50 of the published Annual Report for the year ended 31 December 2019) and ability to continue as a going concern. The Company's assets consist primarily of a diverse portfolio of listed equity shares which in most circumstances are realisable within a very short timescale.

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

The Directors are mindful of the principal risks and uncertainties disclosed on pages 22 to 24 of the published Annual Report for the year ended 31 December 2019 and have reviewed forecasts detailing revenue and liabilities and the Directors believe that the Company has adequate financial resources to continue its operational existence for the foreseeable future and at least 12 months from the date of this Annual Report. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Accountability and Audit
Each Director confirms that, so far as he or she is aware, there is no relevant audit information of which the Company's Auditor is unaware, and he or she has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Independent Auditor
During the year the Audit Committee undertook a tender for audit services which resulted in the recommendation to appoint of KPMG Channel Islands Limited as independent auditor. Shareholders approved the appointment of KPMG Channel Islands Limited at the AGM held in May 2019 and a Resolution to reappoint KPMG Channel Islands Limited as the Company's Auditor and to authorise the Directors to fix the Auditor's remuneration will be put to shareholders at the AGM to be held in July 2020.

Principal Risks
The Principal Risks and Uncertainties facing the Company are detailed on pages 22 to 24 of the published Annual Report for the year ended 31 December 2019. The Board of Directors is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness. Following the Financial Reporting Council's publication of "Guidance on Risk Management, Internal Controls and Related Financial and Business Reporting" (the "FRC Guidance"), the Directors confirm that there is an ongoing process for identifying, evaluating and managing the principal risks faced by the Company. This process has been in place for the full year under review and up to the date of approval of the financial statements, and this process is regularly reviewed by the Board and accords with the FRC Guidance.

The design, implementation and maintenance of controls and procedures to safeguard the assets of the Company and to manage its affairs properly extends to operational and compliance controls and risk management. The Board has prepared its own risk register which identifies potential risks relating to strategy, investment management, shareholders, marketing, gearing, regulatory and financial obligations, third party service providers and the Board. The Board considers the potential cause and possible impact of these risks as well as reviewing the controls in place to mitigate these potential risks. A risk is rated by having a likelihood and an impact rating and the residual risk is plotted on a "heat map" and is reviewed regularly.

The Board has reviewed the effectiveness of the system of internal control and, in particular, it has reviewed the process for identifying and evaluating the principal risks faced by the Company and the policies and procedures by which these risks are managed.

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

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

The key components designed to provide effective internal control for the year under review and up to the date of this Report are outlined below:

- the Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company's activities and review its investment performance;
- the Board and Investment Manager have agreed clearly defined investment criteria;
- there are specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board. The Investment Manager's investment process and financial analysis of the companies concerned include detailed appraisal and due diligence;
- as a matter of course the compliance department of ASCIL continually reviews the Investment Manager's operations;
- written agreements are in place which specifically define the roles and responsibilities of the Manager and other third-party service providers and the Committee reviews, where relevant, ISAE3402 Reports, a

global assurance standard for reporting on internal controls for service organisations. The Board has reviewed the exceptions arising from the Standard Life Aberdeen Group ISAE3402 for the year to 30 September 2019, none of which were judged to be of direct relevance to the Company;

- the Board has considered the need for an internal audit function but, because of the compliance and internal control systems in place within the Standard Life Aberdeen Group, has decided to place reliance on the Standard Life Aberdeen Group's systems and internal audit procedures; and
- twice a year, at its Board meetings, the Board carries out an assessment of internal controls by considering documentation from the Investment Manager, including its internal audit and compliance functions and taking account of events since the relevant period end.

In addition, the Manager and Investment Manager ensures that clearly documented contractual arrangements exist in respect of any activities that have been delegated to external professional organisations. The Board meets periodically with representatives from BNP Paribas and receives control reports covering the activities of the custodian.

Representatives from the Internal Audit department of the Standard Life Aberdeen Group report six monthly to the Audit Committee of the Company and have direct access to the Directors at any time.

The 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 provide reasonable but not absolute assurance against material misstatement or loss.

The UK Stewardship Code and Proxy Voting

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

Standard Life Aberdeen plc is a tier 1 signatory of the UK Stewardship Code which aims to enhance the quality of engagement by investors with investee companies in order to improve their socially responsible performance and the long term investment return to shareholders.

Relations with Shareholders

The Directors place a great deal of importance on communication with shareholders. The Chairman welcomes feedback from all shareholders and meets periodically with the largest shareholders to discuss the Company. The Annual Report and financial statements are available on the Company's website and are widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up to date information on the Company through the Investment Manager's freephone information service and the Company's website (asian-income.co.uk).

The Notice of the Annual General Meeting included within the Annual Report and financial statements is ordinarily sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board or Investment Manager, either formally at the Company's Annual General Meeting or informally following the meeting. The Company Secretary is available to answer general shareholder queries at any time throughout the year. The Directors are keen to encourage dialogue with shareholders and the Chairman welcomes direct contact from shareholders.

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, the Manager or the Investment Manager) in situations where direct communication is required and usually a representative from the Board meets with major shareholders on an annual basis in order to gauge their views.

Responsible Investment

The Board is aware of its duty to act in the interests of the Company. The Board acknowledges that there are risks associated with investment in companies which fail to conduct business in a socially responsible manner. The Manager considers social, environmental and ethical factors which may affect the performance or value of the Company's investments. The Directors, through the Company's Manager, encourage companies in which investments are made to adhere to best practice in the area of Corporate Governance. 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 this area. The Company's ultimate objective however is to deliver superior investment returns for its shareholders. Accordingly, whilst the Manager will seek to favour companies which pursue best practice in the above areas, this must not be to the detriment of the return on the investment portfolio.

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

In addition, in accordance with Article 23 of the AIFMD and Rule 3.2.2 of the Financial Conduct Authority ("FCA") Fund Sourcebook, ASCIL 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.

Annual General Meeting
The AGM will be held at 10.30 a.m. on 22 July 2020 at the Company's registered office, 1st Floor, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE2 3QB.

On 30 March 2020, the Government of Jersey implemented new measures to manage the Covid-19 pandemic in Jersey that, among other things, restricted public gatherings to no more than two people and required that leaving one's home should only be for essential purposes. These largely reflected the Stay at Home measures implemented by the UK Government on 26 March 2020 in the UK. Since then, the Government of Jersey has established a Safe Exit Framework and there has been some relaxation of the Stay at Home Measures with Islanders now permitted outside their homes for a maximum of six hours a day where they may meet with five people who are not from their household. Travel to the Island of Jersey is extremely restricted and quarantine requirements are imposed. It is unclear how long these restrictions will be in place and when any further relaxation of measures will occur. The safety, security and health of the Company's shareholders, their guests and the Company's advisers, including the Manager and Investment Manager's personnel, is of paramount importance to the Board. Accordingly, in view of the Government of Jersey's Stay at Home measures, this year the Board has decided not to hold the Company's AGM in May and instead hold the AGM in July.

Therefore this year your Company's AGM will be held at 10:30 a.m. on 22 July 2020 at the Company's registered office, 1st Floor, Sir Walter Raleigh House, 48-50 Esplanade, St Helier, Jersey, JE2 3QB.

Should the Government of Jersey Stay at Home measures remain in place in July, Shareholders are strongly discouraged from attending the meeting and indeed entry may be refused if Government of Jersey guidance so requires. Arrangements will be made by the Company to ensure that a minimum number of Shareholders required to form a quorum will attend the meeting in order that the meeting may proceed.

As there is a strong possibility that Shareholders may not be able to attend the AGM in person, where possible, Shareholders are encouraged, in advance of the AGM, to lodge their vote either electronically via the registrar's online portal at signalshares.com or by completion and return of a proxy (for direct shareholders) or a letter of direction (for Aberdeen Standard Investment Plan Participants).
Resolutions including the following business will be proposed at the AGM:

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

The Company's dividend policy shall be that dividends on the Ordinary Shares are payable quarterly in relation to periods ending March, June, September and December. It is intended that the Company will pay quarterly dividends consistent with the expected annual underlying portfolio yield. The Company has the flexibility in accordance with its Articles to make distributions from capital. Resolution 4 will seek shareholder approval for the dividend policy.

Authority to Purchase the Company's Shares
The Directors aim to operate an active discount management policy through the use of Ordinary Share buy backs, should the Company's Shares trade at a significant discount. The objective being to maintain the price at which the Ordinary Shares trade relative to the exclusive of current period income NAV at a discount of no

more than 5%. Purchases of Ordinary Shares will only be made through the market for cash at prices below the prevailing exclusive of current period income NAV (which, subject to shareholder approval at the AGM will be the latest estimated NAV) where the Directors believe such purchases will enhance shareholder value and are likely to assist in narrowing any discount to NAV at which the Ordinary Shares may trade. Subsequent to the period end the Company has purchased for treasury 582,285 Ordinary Shares and at the time of writing the Ordinary Shares are trading at a discount of 12.2% to the prevailing exclusive of income NAV.

Resolution 12, a Special Resolution, will be proposed to renew the Directors' authority to make market purchases of the Company's Ordinary Shares in accordance with the provisions of the Listing Rules of the Financial Conduct Authority. Accordingly, the Company will seek authority to purchase up to a maximum of 26,533,752 Ordinary Shares (or, if less, 14.99% of the issued Ordinary Share capital as at the date of passing of the resolution). The authority being sought will expire on the earlier of 18 months from the date of the resolution or at the conclusion of the Annual General Meeting to be held in 2021 unless such authority is renewed prior to such time. Any Ordinary Shares purchased in this way will be cancelled and the number of Ordinary Shares will be reduced accordingly, or the Ordinary Shares will be held in treasury.

Under Jersey company law, Jersey companies can either cancel shares or hold them in treasury following a buy-back of shares. Repurchased shares will only be held in treasury if the Board considers that it will be in the interest of the Company and for the benefit of all shareholders. Any future sales of Ordinary Shares from treasury will only be undertaken at a premium to the prevailing NAV.

Authority to Allot the Company's Shares

There are no provisions under Jersey law which confer rights of pre-emption upon the issue or sale of any class of shares in the Company. However, the Company has a premium listing on the London Stock Exchange and is required to offer pre-emption rights to its shareholders. Accordingly, the Articles of Association contain pre-emption provisions similar to those found under UK law in satisfaction of the Listing Rules requirements. Ordinary Shares will only be issued at a premium to the prevailing NAV and, therefore, will not be disadvantageous to existing shareholders. Any future issues of Ordinary Shares will be carried out in accordance with the Listing Rules.

Unless previously disapplied by special resolution, in accordance with the Listing Rules, the Company is required to first offer any new Ordinary Shares or securities (or rights to subscribe for, or to convert or exchange into, Ordinary Shares) proposed to be issued for cash to shareholders in proportion to their holdings in the Company. In order to continue with such Ordinary Share issues, as in previous years, your Board is also proposing that its annual disapplication of the pre-emption rights is renewed so that the Company may continue to issue Ordinary Shares as and when appropriate. Accordingly, Resolution 13, a Special Resolution, proposes a disapplication of the pre-emption rights in respect of 10% of the Ordinary Shares in issue at the date of the passing of the resolution, set to expire on the earlier of 18 months from the date of the resolution or at the conclusion of the Annual General Meeting to be held in 2021.

Recommendation

Your Board considers Resolutions 12 and 13 to be in the best interests of the Company and its members as a whole. Accordingly, your Board recommends that shareholders should vote in favour of Resolutions 12 and 13 to be proposed at the Annual General Meeting, as they intend to do in respect of their own beneficial shareholdings which amount to 122,459 Ordinary Shares.

Charles Clarke,
Chairman
14 May 2020
1st Floor, Sir Walter Raleigh House
48 – 50 Esplanade, Jersey JE2 3QB

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 International Financial Reporting Standards as issued by the IASB and applicable law.

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, relevant and reliable;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 (Jersey) Law, 1991. 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.

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

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

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 and Directors' report includes 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.

Charles Clarke,
Chairman
14 May 2020

1st Floor, Sir Walter Raleigh House
48 – 50 Esplanade, Jersey JE2 3QB

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website, but not the content of any information included on the website that has been prepared or issued by third parties. Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

STATEMENT OF COMPREHENSIVE INCOME

		Year ended 31 December 2019			Year ended 31 December 2018		
		Revenue	Capital	Total	Revenue	Capital	Total
	Notes	£'000	£'000	£'000	£'000	£'000	£'000
Investment income	4						
Dividend income		20,516	-	20,516	20,674	-	20,674
Interest income		406	-	406	382	-	382
Traded option premiums		74	-	74	-	-	-
Total revenue	3	20,996	-	20,996	21,056	-	21,056
Gains/(losses) on investments held at fair value through profit or loss	10	-	24,759	24,759	-	(36,216)	(36,216)
Net currency gains/(losses)		-	934	934	-	(1,748)	(1,748)
		20,996	25,693	46,689	21,056	(37,964)	(16,908)
Expenses							
Investment management fee	5	(1,372)	(2,059)	(3,431)	(1,413)	(2,119)	(3,532)
Other operating expenses	6	(951)	-	(951)	(1,004)	-	(1,004)
Profit/(loss) before finance costs and tax		18,673	23,634	42,307	18,639	(40,083)	(21,444)
Finance costs	7	(429)	(643)	(1,072)	(352)	(528)	(880)
Profit/(loss) before tax		18,244	22,991	41,235	18,287	(40,611)	(22,324)
Tax expense	2(d)	(1,470)	(68)	(1,538)	(1,525)	-	(1,525)
Profit/(loss) for the year		**16,774**	**22,923**	**39,697**	**16,762**	**(40,611)**	**(23,849)**
Earnings per Ordinary share (pence)	9	**9.42**	**12.87**	**22.29**	**9.25**	**(22.42)**	**(13.17)**

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

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.

The total column of this statement represents the Statement of Comprehensive Income of the Company, 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.

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

BALANCE SHEET

	Notes	As at 31 December 2019 £'000	As at 31 December 2018 £'000
Non-current assets			
Investments held at fair value through profit or loss	10	435,984	416,173
Current assets			
Cash and cash equivalents		3,458	3,622
Other receivables	11	1,568	2,175
		5,026	5,797
Creditors: amounts falling due within one year			
Bank loans	12(a)	(25,990)	-
Other payables	12(b)	(1,618)	(2,842)
		(27,608)	(2,842)
Net current liabilities		(22,582)	2,955
Total assets less current liabilities		413,402	419,128
Creditors: amounts falling due after more than one year			
Bank loans	12(a)	(9,999)	(36,929)
Net assets		**403,403**	**382,199**
Stated capital and reserves			
Stated capital	14	194,933	194,933
Capital redemption reserve		1,560	1,560
Capital reserve	15	191,412	170,680
Revenue reserve		15,498	15,026
Equity shareholders' funds		**403,403**	**382,199**
Net asset value per Ordinary share (pence)	16	**227.15**	**213.96**

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2019

	Note	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Retained earnings £'000	Total £'000
Opening balance		194,933	1,560	170,680	15,026	-	382,199
Buyback of Ordinary shares for treasury	14	-	-	(2,191)	-	-	(2,191)
Profit for the year		-	-	-	-	39,697	39,697
Transferred from retained earnings to capital reserve{A}		-	-	22,923	-	(22,923)	-
Transferred from retained earnings to revenue reserve		-	-	-	16,774	(16,774)	-
Dividends paid	8	-	-	-	(16,302)	-	(16,302)
Balance at 31 December 2019		**194,933**	**1,560**	**191,412**	**15,498**	**-**	**403,403**

For the year ended 31 December 2018

	Note	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Retained earnings £'000	Total £'000
Opening balance		194,933	1,560	220,779	14,597	-	431,869
Buyback of Ordinary shares for treasury	14	-	-	(9,488)	-	-	(9,488)
Loss for the year		-	-	-	-	(23,849)	(23,849)
Transferred from retained earnings to capital reserve{A}		-	-	(40,611)	-	40,611	-
Transferred from retained earnings to revenue reserve		-	-	-	16,762	(16,762)	-
Dividends paid	8	-	-	-	(16,333)	-	(16,333)
Balance at 31 December 2018		**194,933**	**1,560**	**170,680**	**15,026**	**-**	**382,199**

{A} Represents the capital profit attributable to equity shareholders per the 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 (2018 - £260,822,000). These amounts include proceeds arising from the issue of shares by the Company but exclude the cost of shares purchased for cancellation or treasury by the Company.

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

CASH FLOW STATEMENT

	Notes	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Cash flows from operating activities			
Dividend income received		19,104	19,816
Interest income received		423	783
Derivative income received		74	-
Investment management fee paid		(3,409)	(2,688)
Other cash expenses		(890)	(1,044)
Cash generated from operations		15,302	16,867
Interest paid		(1,094)	(845)
Overseas taxation suffered		(1,402)	(1,525)
Net cash inflows from operating activities		12,806	14,497
Cash flows from investing activities			
Purchases of investments		(63,113)	(62,918)
Sales of investments		68,617	73,166
Net cash inflow from investing activities		5,504	10,248
Cash flows from financing activities			
Purchase of own shares for treasury	14	(2,166)	(9,459)
Dividends paid	8	(16,302)	(16,333)
Net cash outflow from financing activities		(18,468)	(25,792)
Net decrease in cash and cash equivalents		(158)	(1,047)
Cash and cash equivalents at the start of the year		3,622	4,872
Effect of foreign exchange on cash and cash equivalents		(6)	(203)
Cash and cash equivalents at the end of the year	2	**3,458**	**3,622**

Non-cash transactions during the year comprised stock dividends of £1,091,000 (2018 - £509,000) (Note 4).
The accompanying notes are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. **Principal activity.** The Company is a closed-end investment company incorporated in Jersey, with its Ordinary shares being listed on the London Stock Exchange. The Company's principal activity is investing in securities in the Asia Pacific region.

2. **Accounting policies**

(a) **Basis of preparation.** The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the International Accounting Standards Board ("IASB"), and interpretations issued by the International Reporting Interpretations Committee of the IASB ("IFRIC").

The financial statements have also been prepared in accordance with the Statement of Recommended Practice (SORP), 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in October 2019.

The Company's assets consist substantially of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale. The Board has set limits for borrowing and regularly reviews actual exposures, cash flow projections and compliance with banking covenants. The Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future and, for the above reasons, they continue to adopt the going concern basis in preparing the financial statements.

Significant accounting judgements and estimates. The preparation of financial statements in conformity with IFRS requires the use of certain significant accounting judgements and estimates which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. These judgements include the assessment of the Company's ability to continue as a going concern. Another area requiring significant judgement and assumption in the financial statements is the determination of the fair value hierarchy classification of quoted bonds which have been assessed as being Level 2 due to not being considered to trade in active markets. The Directors believe there are no significant estimates contained within the financial statements as all investments are valued at quoted bid price and all other assets and liabilities are valued at amortised cost.

The financial statements are prepared on a historical cost basis, except for investments that have been measured at fair value through profit or loss ("FVTPL") and financial liabilities that have been measured at amortised cost.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2019.

The financial statements are presented in sterling and all values are rounded to the nearest thousand (£'000) except when otherwise indicated.

New and amended accounting standards and interpretations. The Company applied, for the first time, certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2019. The adoption of these standards and amendments did not have a material impact on the financial statements:

IFRS 9 Amendment - Prepayment Features with Negative Compensation

IAS 12 Amendment (AI 2015-17) - Income tax consequences of payments on financial instruments classifies as equity

IAS 23 Amendment (AI 2015-17) - Borrowing costs eligible for capitalisation

IFRIC 23 - Uncertainty over Income Tax Treatments

Future amendments to standards and interpretations. At the date of authorisation of these financial statements, the following amendments to Standards and Interpretations were assessed to be relevant and are all effective for annual periods beginning on or after 1 January 2020:

IAS 1 and IAS 8 Amendments - Definition of Material

IFRS 9, IAS 39 and IFRS 7 Amendments - Interest Rate Benchmark Reform

The Company intends to adopt the Standards and Interpretations in the reporting period when they become effective and the Board does not anticipate that the adoption of these Standards and Interpretations in future periods will materially impact the Company's financial results in the period of initial application although there may be revised presentations to the Financial Statements and additional disclosures.

(b) **Income.** Dividend income receivable on equity shares is recognised on the ex-dividend date. Dividend income on equity shares where no ex-dividend date is quoted is brought into account when the Company's right to receive payment is established. Where the Company has elected to receive dividends in the form of additional shares rather than in cash, the amount of the cash dividend foregone is recognised as income. Special dividends are credited to capital or revenue according to their circumstances. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income.

The fixed returns on debt securities and non-equity shares, as well as interest receivable from cash and short-term deposits, are recognised using the accruals basis.

(c) **Expenses.** All expenses, with the exception of interest expenses, which are recognised using the effective interest method, are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except as follows:

- expenses which are incidental to the acquisition or disposal of an investment are treated as capital and separately identified and disclosed in note 10;
- expenses (including share issue costs) are treated as capital where a connection with the maintenance or enhancement of the value of the investments can be demonstrated; and
- the Company charges 60% of investment management fees and finance costs to capital, in accordance with the Board's expected long term return in the form of capital gains and income respectively from the investment portfolio of the Company.

(d) **Taxation.** Profits arising in the Company for the year ended 31 December 2019 will be subject to Jersey income tax at the rate of 0% (2018 - 0%).
In some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. The Company presents the withholding tax separately from the gross investment income in the Statement of Comprehensive Income.

(e) **Investments.** The Company has adopted the classification and measurement provisions of IFRS 9 'Financial Instruments' which replaced IAS 39 'Financial Instruments: Recognition and Measurement'. It makes changes to classification and measurement of financial assets and introduces an 'expected credit loss' model for the impairment of financial assets.
The adoption of IFRS 9 in the prior year did not result in any change to the classification or measurement of financial instruments in either the current or prior year. The Company's investments remain classified as FVTPL. On adoption of IFRS 9, the investments are classified as FVTPL.
The Company classifies its investments based on their contractual cash flow characteristics and the Company's business model for managing the assets. The business model, which is the determining feature for debt instruments, is such that the portfolio of investments is managed, and performance is evaluated, on a fair value basis. The Manager is also compensated based on the fair value of the Company's assets. Equity instruments are classified as FVTPL because cash flows resulting from such instruments do not represent payments of principal and interest on the principal outstanding, and therefore they fail the contractual cash flows test. Consequently, all investments are measured at FVTPL.
Purchases and sales of investments are recognised on a trade date basis. Proceeds are measured at fair value, which is regarded as the proceeds of sale less any transaction costs.
The fair value of the financial assets is based on their quoted bid price at the reporting date, without deduction for any estimated future selling costs.
Changes in the value of investments held at fair value through profit or loss and gains and losses on disposal are recognised in the Statement of Comprehensive Income as "Gains/(losses) on investments held at fair value through profit or loss". Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase.

(f) **Cash and cash equivalents.** Cash comprises cash held at banks. 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 values.
For the purposes of the Cash Flow Statement, cash and cash equivalents comprise cash at bank net of any outstanding bank overdrafts.

(g) **Other receivables.** Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. As such they are measured at amortised cost. Other receivables do not carry any interest, they have assessed for any expected credit losses over their lifetime due to their short-term nature.

(h) **Other payables.** The Company has adopted the simplified approach under IFRS9. Other payables are non interest bearing and are stated at amortised cost.

(i) **Dividends payable.** Interim dividends payable are recognised in the financial statements in the period in which they are paid.

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

Capital redemption reserve. The capital redemption reserve arose when Ordinary shares were redeemed, at which point an amount equal to £1 per share of the Ordinary share capital was transferred from the Statement of Comprehensive Income to the capital redemption reserve. Following a law amendment in 2008, the Company is no longer required to make a transfer. Although the transfer from the Statement of Comprehensive Income is no longer required, the amount remaining in the capital redemption reserve is not distributable in accordance with the undertaking provided by the Board in the launch Prospectus.

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 also reflects any gains realised when Ordinary shares are issued at a premium to £1 per share and any losses suffered on the redemption of Ordinary shares for cancellation at a value higher than £1 per share.

When the Company purchases its Ordinary shares to be held in treasury, the amount of the consideration paid, which includes directly attributable costs, is recognised as a deduction from the capital reserve. Should these shares be sold subsequently, the amount received is recognised in the capital reserve and the resulting surplus or deficit on the transaction remains in the capital reserve.

Revenue reserve. This reserve reflects all income and costs which are recognised in the revenue column of the Statement of Comprehensive Income. The revenue reserve is the principal reserve which is utilised to fund dividend payments to shareholders.

(k) **Foreign currency.** Monetary assets and liabilities denominated in foreign currencies are converted into sterling at the rate of exchange ruling at the reporting date. The financial statements are presented in sterling, which is the Company's functional and presentation currency. The Company's performance is evaluated and its liquidity is managed in sterling. Therefore sterling is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. Transactions during the year involving foreign currencies are converted at the rate of exchange ruling at the transaction date. Gains or losses arising from a change in exchange rates subsequent to the date of a transaction are included as a currency gain or loss in revenue or capital in the Statement of Comprehensive Income, depending on whether the gain or loss is of a revenue or capital nature.

(l) **Borrowings.** The Company has adopted the classification and measurement provisions of IFRS 9 'Financial Instruments'. Borrowings are measured at amortised cost using the effective interest rate method. No impact on the classification or measurement of borrowings has arisen due to the adoption of IFRS 9 in the prior year.

Borrowings are stated at the amount of the net proceeds immediately after draw down plus cumulative finance costs less cumulative payments. The finance cost of borrowings is allocated to years over the term of the debt at a constant rate on the carrying amount and charged 40% to revenue and 60% to capital to reflect the Company's investment policy and prospective revenue and capital growth.

(m) **Share capital.** The Company's Ordinary shares are classified as equity as the Company has full discretion on repurchasing the Ordinary shares and on dividend distributions.

Issuance, acquisition and resale of Ordinary shares are accounted for as equity transactions. Upon issuance of Ordinary shares, the consideration received is included in equity.

Transaction costs incurred by the Company in acquiring or selling its own equity instruments are accounted for as a deduction from equity to the extent that they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Own equity instruments which are acquired (treasury shares) are deducted from equity and accounted for at amounts equal to the consideration paid, including any directly attributable incremental costs.

No gain or loss is recognised in the Statement of Comprehensive Income on the purchase, sale, issuance or cancellation of the Company's own instruments.

(n) **Traded options.** The Company may enter into certain derivative contracts (e.g. options) to gain exposure to the market. The option contracts are classified as fair value through profit or loss and accounted for as separate derivative contracts and are therefore shown in other assets or other liabilities at their fair value i.e. market value. The premium received on the open position is recognised over the life of the option in the revenue column of the Statement of Comprehensive Income along with fair value changes in the open position which occur due to the movement in underlying securities. Losses realised on the exercise of the contracts are recorded in the capital column of the Statement of Comprehensive Income as they arise. Where the Company enters into derivative contracts to manage market risk, gains or losses arising on such contracts are recorded in the capital column of the Statement of Comprehensive Income.

3. **Segmental information.** 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.

The following table analyses the Company's operating income by each geographical location. The basis for attributing the operating income is the place of incorporation of the instrument's counterparty.

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Asia Pacific region	19,146	19,372
United Kingdom	1,850	1,684
	20,996	**21,056**

4. **Investment income**

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Income from investments		
Overseas dividend income	17,603	18,495
UK dividend income	1,822	1,670
Stock dividend income	1,091	509
	20,516	20,674
Other income		
Bond interest	378	368
Deposit interest	28	14
Traded option premiums	74	-
	480	382
Total revenue	**20,996**	**21,056**

During the year, the Company was entitled to premiums totalling £74,000 (2018 - £nil) in exchange for entering into option contracts. At the year end there were no (2018 - nil) open positions. Losses realised on the exercise of derivative transactions are disclosed in note 10.

5. **Investment management fee**

	Year ended 31 December 2019			Year ended 31 December 2018		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Investment management fee	**1,372**	**2,059**	**3,431**	**1,413**	**2,119**	**3,532**

The Company has an agreement with Aberdeen Standard Capital International Limited ("ASCIL") for the provision of management services. This agreement has been sub-delegated to Aberdeen Standard Investments (Asia) Limited ("ASI Asia").
The investment management fee is payable quarterly in arrears and is 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. The balance due to ASCIL at the year end was £1,168,000 (2018 - £1,146,000). The investment management fees are charged 40% to revenue and 60% to capital in line with the Board's expected long term returns.

6. Other operating expenses

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Directors' fees	154	151
Promotional activities	206	217
Auditor's remuneration:		
- statutory audit	37	34
- interim accounts review	-	6
- tax services	-	6
Custody fees	126	158
Secretarial and administration fee	134	134
Other	294	298
	951	**1,004**

Promotional activities in relation to the Company's participation in the Aberdeen Standard Investment Trust share plan and ISA are provided by Aberdeen Asset Managers Limited ("AAML"). The total fees paid are based on an annual rate of £250,000 until 31 March 2018 and an annual rate of £206,000 thereafter (2018 - £206,000). An amount of £52,000 (2018 - £52,000) was payable to AAML at the year end.
In addition, ASCIL is entitled to an annual company secretarial and administration fee of £134,000 (2018 - £134,000). An amount of £67,000 (2018 - £34,000) was payable to ASCIL at the year end.
No fees have been paid to the Company's auditor during the period other than those listed here.

7. Finance costs

	Year ended 31 December 2019			Year ended 31 December 2018		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Interest on bank loans	**429**	**643**	**1,072**	**352**	**528**	**880**

Finance costs are charged 40% to revenue and 60% to capital as disclosed in the accounting policies.

8. Dividends on Ordinary equity shares

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Amounts recognised as distributions to equity holders in the year:		
Fourth interim dividend 2018 - 2.40p per Ordinary share (2017 - 2.25p)	4,286	4,119
First interim dividend 2019 - 2.25p per Ordinary share	4,012	4,099

(2018 - 2.25p)		
Second interim dividend 2019 - 2.25p per Ordinary share (2018 - 2.25p)	4,004	4,073
Third interim dividend 2019 - 2.25p per Ordinary share (2018 - 2.25p)	4,000	4,042
	16,302	**16,333**

The table below sets out the total dividends declared in respect of the financial year. The revenue available for distribution by way of dividend for the year is £16,774,000 (2018 - £16,762,000).

	2019 £'000	2018 £'000
First interim dividend 2019 - 2.25p per Ordinary share (2018 - 2.25p)	4,012	4,099
Second interim dividend 2019 - 2.25p per Ordinary share (2018 - 2.25p)	4,004	4,073
Third interim dividend 2019 - 2.25p per Ordinary share (2018 - 2.25p)	4,000	4,042
Fourth interim dividend 2019 - 2.50p per Ordinary share (2018 - 2.40p)	4,438	4,286
	16,454	**16,500**

The fourth interim dividend for 2019, amounting to £4,438,000 (2018 - fourth interim dividend of £4,286,000), is not recognised as a liability in these financial statements as it was announced and paid after 31 December 2019.

9. Earnings per share

Ordinary shares. The earnings per Ordinary share is based on the profit after taxation of £39,697,000 (2018 - loss £23,849,000) and on 178,087,642 (2018 - 181,141,360) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year excluding Ordinary shares held in treasury.
The earnings per Ordinary share detailed above can be further analysed between revenue and capital as follows:

	Year ended 31 December 2019			Year ended 31 December 2018		
	Revenue	**Capital**	**Total**	**Revenue**	**Capital**	**Total**
Net profit/(loss) (£'000)	16,774	22,923	39,697	16,762	(40,611)	(23,849)
Weighted average number of Ordinary shares in issue{A}			178,087,642			181,141,360
Return per Ordinary share (pence)	9.42	12.87	22.29	9.25	(22.42)	(13.17)

{A} Calculated excluding shares held in treasury.

10. Investments held at fair value through profit or loss

	Year ended 31 December 2019 £'000	Year ended 31 December 2018 £'000
Opening book cost	324,939	319,010

Opening investment holding gains	91,234	142,622
Opening fair value	416,173	461,632
Analysis of transactions made during the year		
Purchases at cost	62,842	64,799
Sales proceeds received	(67,790)	(74,042)
Gains/(losses) on investments{A}	24,759	(36,216)
Closing fair value	**435,984**	**416,173**
	£'000	**£'000**
Closing book cost	333,903	324,939
Closing investment gains	102,081	91,234
Closing fair value	**435,984**	**416,173**

{A} Includes losses realised on the exercise of traded options of £236,000 (2018 - £nil) which are reflected in the capital column of the Statement of Comprehensive Income in accordance with accounting policy 2(n). Premiums received from traded options totalled £74,000 (2018 - £nil) per note 4.

The company received £67,790,000 (2018 - £74,042,000) from investments sold in the year. The book cost of these investments when they were purchased was £53,878,000 (2018 - £58,870,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

	Year ended 31 December 2019	**Year ended 31 December 2018**
The portfolio valuation	**£'000**	**£'000**
Listed on recognised stock exchanges:		
Equities - UK	21,153	21,288
Equities - overseas	410,952	385,336
Bonds - overseas	3,879	9,549
Total	**435,984**	**416,173**

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

	Year ended 31 December 2019	**Year ended 31 December 2018**
	£'000	**£'000**
Purchases	73	92
Sales	71	67
	144	**159**

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.

11. Debtors: amounts falling due within one year

	2019 £'000	2018 £'000
Amounts due from brokers	49	876
Prepayments and accrued income	1,519	1,299
	1,568	**2,175**

None of the above assets are past their due date or impaired.

12. Creditors: amounts falling due within one year

(a) Bank loans. At the year end, the Company had the following unsecured bank loans:

	2019 Interest rate %	2019 Local currency principal amount	2019 Carrying amount £'000	2018 Interest rate %	2018 Local currency principal amount	2018 Carrying amount £'000
Unsecured bank loans repayable within one year:						
Hong Kong Dollar	3.305	212,500,000	20,587	-	-	-
United States Dollar	2.686	7,157,751	5,403	-	-	-
Total			**25,990**			**-**
Unsecured bank loans repayable between one and five years:						
Hong Kong Dollar	-	-	-	3.053	212,500,000	21,311
United States Dollar	-	-	-	3.396	7,158,000	5,620
Sterling	2.179	10,000,000	9,999	2.179	10,000,000	9,998
Total			**9,999**			**36,929**

At the date of signing this report, the loans of HK$212,500,000 and US$7,157,751 were drawn down at fixed interest rates of 3.13774% and 2.2135% respectively under a new £40 million multi currency revolving loan facility agreement with Scotiabank Europe PLC which runs until 6 April 2021. This facility agreement replaced the existing £40 million multi currency revolving loan facility agreement with Scotiabank (Ireland) Designated Activity Company. On 3 March 2018 the £10,000,000 loan with Scotiabank Europe PLC matured and was replaced with a three year loan of £10,000,000 with Scotiabank Europe PLC at an interest rate of 2.179%. Financial covenants contained within the relevant loan agreements provide, inter alia, that the Company's NAV shall at no time be less than £185 million and that adjusted NAV coverage shall at no time be less than 4.0 to 1.0. At 31 December 2019 net assets were £403 million and borrowings were 8.9% thereof. The Company has complied with all financial covenants throughout the year.

		2019	2018
(b)	**Other payables**	**£'000**	**£'000**
	Amounts due to brokers for purchase of shares for treasury	54	29
	Amounts due to brokers	-	1,372
	Investment management fees	1,168	1,146
	Other amounts due	396	295
		1,618	**2,842**

13. Analysis of changes in financing during the year

	2019	2018
	£'000	**£'000**
Opening balance at 1 January	36,929	35,386
Foreign exchange movements	(940)	1,543
Closing balance at 31 December	**35,989**	**36,929**

14. Stated capital

	Ordinary shares (number)	**Treasury shares (number)**	**Total shares (number)**	**£'000**
Authorised Ordinary shares of no par value	**Unlimited**	**Unlimited**	**Unlimited**	**Unlimited**
Issued and fully paid Ordinary shares of no par value				
At 31 December 2018	178,630,688	16,302,701	194,933,389	194,933
Shares purchased for treasury	(1,038,713)	1,038,713	-	-
At 31 December 2019	**177,591,975**	**17,341,414**	**194,933,389**	**194,933**

During the year 1,038,713 (2018 - 4,651,533) Ordinary shares were bought back by the Company for holding in treasury at a total cost of £2,191,000 (2018 - £9,488,000). At the year end 17,341,414 (2018 - 16,302,701) Ordinary shares were held in treasury, which represents 8.90% (2018 - 8.36%) of the Company's total issued share capital at 31 December 2019.

For each Ordinary share issued £1 is allocated to stated capital, with the balance taken to the capital reserve.

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.

Since the year end a further 582,285 shares have been bought back for holding in treasury at a cost of £1,193,000.

Voting and other rights. In accordance with the Articles of Association of the Company, on a show of hands, every member (or duly appointed proxy) present at a general meeting of the Company has one vote; and, on a poll, every member present in person or by proxy shall have one vote for each Ordinary share held.

The Ordinary shares carry the right to receive all dividends declared by the Company or the Directors.

On a winding-up, provided the Company has satisfied all of its liabilities, holders of Ordinary shares are entitled to all of the surplus assets of the Company.

15. Capital reserve

	2019	2018
	£'000	£'000
At 1 January	170,680	220,779
Net currency gains/(losses)	934	(1,748)
Movement in unrealised fair value	10,847	(51,388)
Profit on realisation of investments	13,912	15,172
Costs charged to capital	(2,770)	(2,647)
Buyback of Ordinary shares for treasury	(2,191)	(9,488)
At 31 December	**191,412**	**170,680**

16. Net asset value per share

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

	Net asset value per share 2019	Net asset values attributable 2019	Net asset value per share 2018	Net asset values attributable 2018
	p	£'000	p	£'000
Ordinary shares	**227.15**	**403,403**	**213.96**	**382,199**

The net asset value per Ordinary share is based on 177,591,975 (2018 - 178,630,688) Ordinary shares, being the number of Ordinary shares in issue at the year end excluding Ordinary shares held in treasury.

17. Analysis of changes in net debt

	At 31 December 2018	Currency differences	Cash flows	Non-cash movements	At 31 December 2019
	£'000	£'000	£'000	£'000	£'000
Cash and short term deposits	3,622	(6)	(158)	-	3,458
Debt due within one year	-	-	-	(25,990)	(25,990)
Debt due after more than one year	(36,929)	939	-	25,991	(9,999)
	(33,307)	**933**	**(158)**	**1**	**(32,531)**

	At 31 December 2017	Currency differences	Cash flows	Non-cash movements	At 31 December 2018
	£'000	£'000	£'000	£'000	£'000
Cash and short term deposits	4,872	(203)	(1,047)	-	3,622
Debt due within one year	(35,386)	(1,231)	-	36,617	-
Debt due after more than	-	-	-	(36,929)	(36,929)

one year					
	(30,514)	**(1,434)**	**(1,047)**	**(312)**	**(33,307)**

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

18. **Financial instruments.** 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, other than derivatives, 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.

Subject to Board approval, the Company also has the ability to enter into derivative transactions, in the form of traded options, for the purpose of enhancing income returns and portfolio management. During the year, the Company entered into certain derivative contracts. As disclosed in note 4, the premium received in respect of options written in the year was £74,000 (2018 – £nil). Positions closed during the year realised a loss of £236,000 (2018 – £nil). The realised loss was caused by the underlying price on exercise being higher than the exercise price for call options and lower than the exercise price for put options. The largest position in derivative contracts held during the year at any given time was £52,000 (2018 – £nil). The Company had no open positions in derivative contracts at 31 December 2019.

The Board has delegated the risk management function to ASCIL under the terms of its management agreement with ASCIL (further details of which are included under note 5). 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, with the exception of short-term borrowings.

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

ASCIL is a fully integrated member of the Standard Life Aberdeen plc Group (the "Group"), which provides a variety of services and support to ASCIL in the conduct of its business activities, including in the oversight of the risk management framework for the Company. ASCIL 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). ASCIL has delegated responsibility for monitoring and oversight of the Investment Manager and other members of the Group which carry out services and support to ASCIL.

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 Chief Executive Officer of the Group. The Risk Division achieves its objective through embedding the Risk Management Framework throughout the organisation using the Group's operational risk management system ("Shield").

The Group's Internal Audit Department is independent of the Risk Division and reports directly to the Group Chief Executive Officer 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 plc, 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 arising from the Company's financial instruments are (i) market risk (comprising interest rate risk, currency risk and equity price risk), (ii) liquidity risk, (iii) credit risk and (iv) gearing risk.

The Board regularly reviews and agrees policies for managing each of these risks. The Manager's policies for managing each of these risks are summarised below and have been applied throughout the year. The numerical disclosures exclude short-term debtors and creditors.

(i) Market risk. The fair value or future cash flows of 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 equity price risk.

Interest rate risk. Interest rate risk is the risk that interest rate movements may affect:

- the fair value of the investments in fixed interest rate securities;
- the level of income receivable on cash deposits;
- interest payable on the Company's variable rate borrowings.

Management of the risk

Financial assets. Although the majority of the Company's financial assets comprise equity shares which neither pay interest nor have a stated maturity date, at the year end the Company had two (2018 - three) holdings in fixed rate overseas corporate bonds, G3 Exploration valued is at £nil (2018 - £4,413,000) and ICICI Bank at £3,879,000 (2018 - £4,411,000). Bond prices are determined by market perception as to the appropriate level of yields given the economic background. Key determinants include economic growth prospects, inflation, the Government's fiscal position, short-term interest rates and international market comparisons. The Investment Manager takes all these factors into account when making any investment decisions as well as considering the financial standing of the potential investee entity. G3 Exploration appointed joint liquidators during December 2019. Using an adjusted net asset value model the Board of Directors decided to write down the value of G3 Exploration to £nil due to concerns over liquidity, credit worthiness, exit opportunities and the timing of any potential receipts.

Returns from bonds are fixed at the time of purchase, as the fixed coupon payments are known, as are the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond the market price at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred.

Financial liabilities. The Company primarily finances its operations through use of equity, retained profits and bank borrowings. On 3 March 2018 the Company renewed a three-year £10 million facility with Scotiabank Europe PLC which was in addition to the existing unsecured three year £40 million multi currency revolving facility with Scotiabank (Ireland) Limited and details of the terms and conditions of the loans are disclosed in note 12. Interest is due on the Scotiabank Europe PLC loan quarterly with the next interest payment being due on 2 March 2020. The Scotiabank Europe PLC loan is included in creditors falling due in more than one year but no more than five years. Interest is due on Scotiabank (Ireland) Limited loans at the maturity date, being 13 January 2020 and 12 March 2020 (loans have been subsequently rolled over, see note 12 for further details). The Scotiabank (Ireland) Limited loans are included in creditors falling due within one year.

The Board actively monitors its bank borrowings. A decision on whether to roll over its existing borrowings will be made prior to their maturity dates, taking into account the Company's ability to draw down fixed, long-term borrowings.

The interest rate profile of the Company (excluding short term debtors and creditors but including short term borrowings as stated previously) was as follows:

	Weighted average period for which rate is fixed	**Weighted average interest rate**	**Floating rate**	**Fixed rate**
At 31 December 2019	**Years**	**%**	**£'000**	**£'000**
Assets				
Indian Overseas Corporate Bond	4.60	9.15	-	3,879
Cash at bank - Sterling	-	-	3,414	-
Cash at bank - Taiwan Dollar	-	-	39	-
Cash at bank - Singapore Dollar	-	-	5	-
			3,458	**3,879**

Weighted average

	period for which rate is fixed	Weighted average interest rate	Floating rate	Fixed rate
	Years	%	£'000	£'000
Liabilities				
Bank loan - Hong Kong Dollar	0.20	3.30	-	(20,587)
Bank loan - US Dollar	0.04	2.69	-	(5,403)
Bank loans - Sterling	1.17	2.18	-	(9,999)
			-	**(35,989)**

	Weighted average period for which rate is fixed	Weighted average interest rate	Floating rate	Fixed rate
At 31 December 2018	**Years**	**%**	**£'000**	**£'000**
Assets				
Chinese Overseas Corporate Bond{A}	-	-	-	4,413
Indian Overseas Corporate Bond	5.60	9.15	-	4,111
Malaysian Overseas Corporate Bond	1.71	3.50	-	1,025
Cash at bank - Sterling	-	-	3,583	-
Cash at bank - Taiwan Dollar	-	-	39	-
			3,622	**9,549**

{A} Holding in G3 Exploration, which was due to mature during the year but was not paid. Previously accrued interest income has been written off and no further interest income is being accrued.

	Weighted average period for which rate is fixed	Weighted average interest rate	Floating rate	Fixed rate
	Years	%	£'000	£'000
Liabilities				
Bank loan - Hong Kong Dollar	0.02	3.05	-	(21,311)
Bank loan - US Dollar	0.02	3.40	-	(5,620)
Bank loans - Sterling	2.17	2.18	-	(9,998)
			-	**(36,929)**

The weighted average interest rate is based on the current yield of each asset, weighted by its market value. The weighted average interest rate on bank loans is based on the interest rate payable, weighted by the total value of the loans.

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

All financial liabilities are measured at amortised cost using the effective interest rate method.

Interest rate sensitivity. The sensitivity analysis demonstrates the sensitivity of the Company's profit/(loss) for the year to a reasonably possible change in interest rates, with all other variables held constant.

The sensitivity of the profit/(loss) for the year is the effect of the assumed change in interest rates on:

- the net interest income for one year, based on the floating rate financial assets held at the Balance Sheet date; and
- changes in fair value of investments for the year, based on revaluing fixed rate financial assets at the Balance Sheet date.

The Directors have considered the potential impact of a 100 basis point movement in interest rates and concluded that it would not be material in the current year (2018 - not material). This consideration is based on the Company's exposure to interest rates on its floating rate cash balances, fixed interest securities and bank loans.

Foreign currency risk. A significant proportion of the Company's investment portfolio is invested in overseas securities and the Balance Sheet can be significantly affected by movements in foreign exchange rates. It is not the Company's policy to hedge this risk on a continuing basis. A significant proportion of the Company's borrowings, as detailed in note 12, is in foreign currency as at 31 December 2019.

Management of the risk. The revenue account is subject to currency fluctuation arising on overseas income. The Company does not hedge this currency risk on a continuing basis but the Company may, from time to time, match specific overseas investment with foreign currency borrowings.

The fair values of the Company's monetary items that have foreign currency exposure at 31 December are shown below. Where the Company's equity investments (which are non-monetary items) are priced in a foreign currency, they have been included within the equity price risk sensitivity analysis so as to show the overall level of exposure.

	31 December 2019			31 December 2018		
	Equity investments £'000	Net monetary assets /(liabilities) £'000	Total currency exposure £'000	Equity investments £'000	Net monetary assets /(liabilities) £'000	Total currency exposure £'000
Australian Dollar	67,554	-	67,554	70,390	-	70,390
Chinese Renminbi	6,562	-	6,562	6,916	-	6,916
Hong Kong Dollar	68,374	(20,587)	47,787	66,731	(21,311)	45,420
Indian Rupee	14,101	3,879	17,980	4,154	4,111	8,265
Indonesian Rupiah	4,607	-	4,607	-	-	-
Japanese Yen	16,176	-	16,176	16,539	-	16,539
Korean Won	39,967	-	39,967	26,635	-	26,635
Malaysian Ringgit	11,951	-	11,951	20,350	1,025	21,375
New Zealand Dollar	3,686	-	3,686	2,225	-	2,225
Singapore Dollar	92,072	5	92,077	99,713	-	99,713
Taiwanese Dollar	49,336	39	49,375	34,498	39	34,537
Thailand Baht	36,408	-	36,408	30,079	-	30,079
US Dollar	4,037	(5,403)	(1,366)	7,106	(1,207)	5,899
Total	**414,831**	**(22,067)**	**392,764**	**385,336**	**(17,343)**	**367,993**

Foreign currency sensitivity. The following table details the impact on the Company's net assets to a 10% decrease (in the context of a 10% increase the figures below should all be read as negative) in sterling against the foreign currencies in which the Company has exposure. The sensitivity analysis includes foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates.

	2019	2018

	£'000	£'000
Australian Dollar	6,755	7,039
Chinese Renminbi	656	691
Hong Kong Dollar	4,779	4,542
Indian Rupee	1,798	826
Indonesian Rupiah	461	-
Japanese Yen	1,618	1,654
Korean Won	3,997	2,663
Malaysian Ringgit	1,195	2,138
New Zealand Dollar	369	223
Singapore Dollar	9,208	9,971
Taiwanese Dollar	4,938	3,454
Thailand Baht	3,641	3,008
US Dollar	(137)	590
Total	**39,278**	**36,799**

Equity price risk. Equity price risk (i.e. changes in market prices other than those arising from interest rate or currency risk) may affect the value of the Company's quoted equity 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. The allocation of assets to international markets and the stock selection process, as detailed on page 94 of the published Annual Report for the year ended 31 December 2019, both 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 recognised stock exchanges.

Concentration of exposure to equity price risks. A geographic analysis of the Company's investment portfolio is shown on page 36 of the published Annual Report for the year ended 31 December 2019, which shows that the majority of the investments' value is in the Asia Pacific region. It should be recognised that an investment's country of domicile or of listing does not necessarily equate to its exposure to the economic conditions in that country.

Equity price risk sensitivity. The following table illustrates the sensitivity of the profit after taxation for the year and the equity to an increase or decrease of 10% (2018 - 10%) in the fair values of the Company's equities. This level of change is considered to be reasonably possible based on observation of current market conditions. The sensitivity analysis is based on the Company's equities at each Balance Sheet date, with all other variables held constant.

	2019		2018	
	Increase in fair value £'000	**Decrease in fair value £'000**	**Increase in fair value £'000**	**Decrease in fair value £'000**
Statement of Comprehensive Income – profit after taxation				
Revenue return – increase /(decrease)	-	-	-	-
Capital return – increase /(decrease)	43,211	(43,211)	40,662	(40,662)
Total profit after taxation – increase /(decrease)	**43,211**	**(43,211)**	**40,662**	**(40,662)**
Equity	**43,211**	**(43,211)**	**40,662**	**(40,662)**

(ii) Liquidity risk. This is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities, which stood at £37,607,000 (2018 - £39,771,000).

Management of the risk. Liquidity risk is not considered to be significant as the Company's assets comprise mainly cash and readily realisable securities, which can be sold to meet funding commitments if necessary and these amounted to £3,458,000 and £435,984,000 (2018 - £3,622,000 and £416,173,000) at the year end respectively. Short-term flexibility is achieved through the use of loan facilities.

Maturity profile. The following table sets out the undiscounted gross cash flows, by maturity, of the Company's significant financial liabilities and cash at the Balance Sheet date:

	Within 1 year	**Between 1-5 years**	**Total**
At 31 December 2019	**£'000**	**£'000**	**£'000**
Fixed rate			
Bank loans	25,990	9,999	35,989
Interest on bank loans	(400)	(54)	(454)
	25,590	**9,945**	**35,535**
Floating rate			
Cash	**3,458**	**-**	**3,458**

	Within 1 year	**Between 1-5 years**	**Total**
At 31 December 2018	**£'000**	**£'000**	**£'000**
Fixed rate			
Bank loans	-	36,929	36,929
Interest on bank loans	(269)	(272)	(541)
	(269)	36,657	36,388
Floating rate			
Cash	**3,622**	**-**	**3,622**

On 13 April 2017 the Company entered into an unsecured three year £40 million multi currency revolving facility agreement with Scotiabank (Ireland) Limited which replaced a £30 million secured facility. 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 also has a three year £10,000,000 term facility with Scotiabank Europe PLC details of which are disclosed in note 12.

(iii) Credit risk. This is failure of the counterparty to a transaction to discharge its obligations under that transaction that could result in the Company suffering a loss. The Company is exposed to credit risk on debt instruments. These classes of financial assets are not subject to IFRS 9's impairment requirements as they are measured at FVTPL. The carrying value of these assets, under both IAS 39 and IFRS 9 represents the Company's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates (see table below "Credit Risk Exposure").

The Company's only financial assets subject to the expected credit loss model within IFRS 9 are only short-term other receivables. At 31 December 2019, the total of short-term other receivables was £1,568,000 (2018 - £2,175,000) on which no loss allowance is considered to be required(2018 - £1,029,000 was provided in respect of the non-payment of interest income by G3 Exploration). No interest for G3 Exploration has been accrued in 2019. No other assets are considered impaired and no other amounts have been written off during the year.

All other receivables are expected to be received within twelve months or less. An amount is considered to be in default if it has not been received on the due date.

As only other receivables are impacted by the IFRS 9 model, the Company has adopted the simplified approach. The loss allowance is therefore based on lifetime ECLs.

Management of the risk. Where the investment manager makes an investment in a bond, corporate or otherwise, where available, the credit rating of the issuer is taken into account so as to minimise the risk to the Company of default. The Company has the following holdings:

- a Chinese overseas corporate bond issued by G3 Exploration. G3 Exploration appointed joint liquidators during December 2019. Therefore the Board of Directors decided to write down the value of G3 Exploration to nil due to the uncertainty over the repayment of the debt.
- an Indian overseas corporate bond issued by ICICI Bank.

All of the above bonds are non-rated. The investment manager undertakes an ongoing review of their suitability for inclusion within the portfolio.

Investment transactions are carried out with a large number of brokers, whose credit rating is taken into account so as to minimise the risk to the Company of default.

The risk of counterparty exposure due to failed trades causing a loss to the Company is mitigated by the review of failed trade reports on a daily basis. In addition, both stock and cash reconciliations to the custodian's records are performed on a daily basis to ensure discrepancies are investigated on a timely basis. The Manager's Compliance department carries out periodic reviews of the custodian's operations and reports its finding to the Manager's Risk Management Committee. It is the Manager's policy to trade only with A- and above (Long Term rated) and A-1/P-1 (Short Term rated) counterparties.

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

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

Credit risk exposure. In summary, compared to the amounts included in the Balance Sheet, the maximum exposure to credit risk at 31 December was as follows:

	2019		2018	
	Balance Sheet	**Maximum exposure**	**Balance Sheet**	**Maximum exposure**
	£'000	**£'000**	**£'000**	**£'000**
Non-current assets				
Investments held at fair value through profit or loss	435,984	3,879	416,173	9,549
Current assets				
Cash at bank	3,458	3,458	3,622	3,622
Other receivables	1,568	1,568	2,175	2,175
	441,010	**8,905**	**421,970**	**15,346**

(iv) Gearing risk. The Company's policy is to increase its exposure to equity markets through the judicious use of borrowings. When borrowings are invested in such markets, the effect is to magnify the impact on shareholders' funds of changes, both positive and negative, in the value of the portfolio. As noted in note 2(a), note 2(l) and note 12, the classification of financial liabilities under IFRS 9 remains broadly the same as under IAS 39. The Company has not designated any financial liabilities at FVPL. Therefore, this requirement has not had an impact on the Company. The loans are carried at amortised cost, using the effective interest rate method in the financial statements.

Management of the risk. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise fixed rate, revolving, and uncommitted facilities. The fixed rate facilities are used to finance opportunities at low rates and, the revolving and uncommitted facilities to provide flexibility in the short-term.

19. 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 income and capital return to its equity shareholders through an appropriate balance of equity capital and debt. The policy is that debt should not exceed 25% of net assets.

The Company's capital at 31 December comprises:

	2019	2018
	£'000	**£'000**
Debt		
Borrowings under the multi-currency loan facility	25,990	26,931
Borrowing under the three year Sterling loan facility	9,999	9,998
	35,989	**36,929**

	2019	2018
Equity	**£'000**	**£'000**
Equity share capital	194,933	194,933
Retained earnings and other reserves	208,470	187,266
	403,403	**382,199**
Debt as a % of net assets{A}	**8.92**	**9.66**

{A} The calculation above differs from the AIC recommended methodology, where debt levels are shown net of cash and cash equivalents held.

The Board, with the assistance of the Investment Manager monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes account of the Investment Manager's views on the market;
- the need to buy back equity shares for cancellation or for holding in treasury, which takes account of the difference between the net asset value per Ordinary share and the Ordinary share price (i.e. the level of share price discount);
- the need for new issues of equity shares; and
- the extent to which revenue in excess of that which is required to be distributed should be retained.

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

20. Related party transactions and transactions with the Manager

Fees payable during the period to the Directors and their interests in shares of the Company are disclosed within the Directors' Remuneration Report on pages 58 and 59 of the published Annual Report for the year ended 31 December 2019.

Mr Young is also a director of the Company's Investment Manager, Aberdeen Standard Investments Asia Limited, which is a wholly-owned subsidiary of Standard Life Aberdeen plc. The Manager, Aberdeen Standard Capital International Limited ("ASCIL") is also a subsidiary of Standard Life Aberdeen PLC. Management, promotional activities and secretarial and administration services are provided by ASCIL with details of transactions during the year and balances outstanding at the year end disclosed in notes 5 and 6.

21. Controlling party. In the opinion of the Directors on the basis of shareholdings advised to them, the Company has no immediate or ultimate controlling party.

22. 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 Balance Sheet are grouped into the fair value hierarchy as follows:

At 31 December 2019	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	432,105	-	-	432,105
Quoted bonds	b)	-	3,879	-	3,879
Net fair value		**432,105**	**3,879**	**-**	**435,984**

At 31 December 2018	Note	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss					
Quoted equities	a)	406,624	-	-	406,624
Quoted bonds	b)	-	9,549	-	9,549
Net fair value		**406,624**	**9,549**	**-**	**416,173**

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 31 December 2019 has been classified as Level 2.

A reconciliation of fair value movements within Level 3 is set out below:

Financial assets at fair value through profit or loss	2019 £'000	2018 £'000
Opening balance	-	-
Transfer from Level 2	4,413	-
Losses on investments held at fair value through profit or loss	(76)	-
Written down to nil value	(4,337)	-
Net fair value	**-**	**-**

In October the Board of Directors took the decision to write down the value of G3 Exploration by 50% in light of interest payment default and concerns over ongoing trading. At this point the G3 Exploration bond was reclassified as Level 3. G3 Exploration appointed joint liquidators during December 2019. Using an adjusted net asset value model the Board of Directors decided to write down the value of G3 Exploration to £nil due to concerns over liquidity, credit worthiness, exit opportunities and the timing of any potential receipts.

Fair value of financial assets. The Directors are of the opinion that the fair value of other financial assets is equal to the carrying amounts in the Balance Sheet.

Fair values of financial liabilities. The fair value of borrowings as at the 31 December 2019 has been estimated at £35,999,000 (carrying value per Balance Sheet - £35,989,000) which was calculated using a discounted cash flow valuation technique. At 31 December 2018 the fair value was £36,947,000 (carrying value per Balance Sheet - £36,929,000). Under the fair value hierarchy in accordance with IFRS 13, these borrowings can be classified as Level 2.

23. Subsequent events. Subsequent to the year end, the Company agreed with the Manager that with effect from 1 January 2020, the calculation of the management fee will be changed to 0.85% per annum on average net assets of the previous six months up to £350 million and 0.65% per annum thereafter. The fee will continue to be payable quarterly in arrears. The Company has also agreed with the Manager that payment of the secretarial and administration fee of £134,000 would cease with effect from 1 January 2020. Subsequent to the year end, the Company's NAV has suffered as a result of a decline in stockmarket values caused by the Covid-19 pandemic. At the date of this Report the latest NAV per share was 193.22p as at the close of business on 12 May 2020, a decline of 14.9% compared the NAV per share of 227.15p at the year end. The Directors have carefully considered the financial position of the Company with particular attention to the economic and social impacts of the Covid-19 pandemic. Covid-19 presents significant challenges to all of the countries within the investment region as well as the rest of the world. It is too early to be able to assess the longer term impacts on the individual companies in the portfolio. This is not considered to be an adjusting item to the financial statements.
Following the year end, the Company replaced its multi currency revolving loan facility agreement. Further details can be found in note 12.

Additional Notes:
The Annual Financial Report Announcement is not the Company's statutory financial statements. The above results for the year ended 31 December 2019 are an abridged version of the Company's full financial statements, which have been approved and audited with an unqualified report. The 2018 and 2019 statutory financial statements received unqualified reports from the Company's auditor and did not include any reference to matters to which the auditors drew attention by way of emphasis without qualifying the reports. The financial information for 2018 is derived from the statutory financial statements for 2018 which have been lodged with the JFSC. The 2019 financial statements will be filed with the JFSC in due course.

The Annual Report will be posted to Shareholders in May and further copies may be obtained from the registered office, 1st Floor, Sir Walter Raleigh House, 48 – 50 Esplanade, St Helier, Jersey JE2 3QB and on the Company's website* asian-income.co.uk.

Please note that past performance is not necessarily a guide to the future and that the value of investments and the income from them may fall as well as rise and may be affected by exchange rate movements. Investors may not get back the amount they originally invested.

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

Aberdeen Standard Capital International Limited
Company Secretary
14 May 2020

INVESTMENT PORTFOLIO – TEN LARGEST INVESTMENTS

As at 31 December 2019

Taiwan Semiconductor Manufacturing Company

As the world's largest pure-play semiconductor manufacturer, TSMC provides a full range of integrated foundry services for its clients, along with a robust balance sheet and good cash generation that enables it to keep investing in cutting-edge technology and innovation.

Samsung Electronics (Pref)

A leading semiconductor company which is also a major player in mobile phones and consumer electronics.

Venture Corporation

Provides contract manufacturing services to electronics companies. The company's major segments include Printing, Imaging, Networking and Communications. It has been increasing its revenue contribution from Original Design Manufacturing.

HSBC Holdings

One of the world's largest global banking and financial services institutions with its roots in, and the majority of its earnings derived from, Asia.

Oversea-Chinese Banking Corporation

A well-managed Singapore bank with a strong capital base and impressive cost-to-income ratio. In addition to its core banking activities it has sizeable wealth management and life assurance divisions.

Ping An Insurance (H Shares)

A Chinese financial conglomerate with one of the best life insurance franchises domestically, backed by technological expertise, progressive management and an unrivalled ecosystem in a steadily growing market.

Taiwan Mobile

The leading provider of cellular telecommunications services in Taiwan. Although predominantly a wireless network operator, it also sells and leases cellular telephony equipment.

Tesco Lotus Retail Growth

Anchored by Thailand's largest hypermarket operator Tesco Lotus, it invests in retail malls and holds a solid portfolio, principally in freehold assets. It offers an attractive yield and stands to benefit from the recovery in Thai retail spending.

LG Chemical (Pref)

The Korean company has a robust and cash-generative chemicals business, which serves as a strong base for it to build on its leading position in the electric-vehicle battery market.

Singapore Telecommunications

A regional telecommunications company, with a combined mobile subscriber base of more than 690 million customers from its own operations in Singapore and Australia, and regional associates in India, Philippines, Thailand, Indonesia and Africa.

CONSOLIDATED INVESTMENT PORTFOLIO - OTHER INVESTMENTS

Company	Country	Valuation 2019 £'000	Total assets{A} %	Valuation 2018{B} £'000
Taiwan Semiconductor Manufacturing Company	Taiwan	29,569	6.7	19,241
Samsung Electronics (Pref)	South Korea	29,101	6.6	17,556
Venture Corporation	Singapore	16,199	3.7	14,322
HSBC Holdings	Hong Kong	15,471	3.5	16,824
Oversea-Chinese Banking Corporation	Singapore	14,463	3.3	16,047
Ping An Insurance (H Shares)	China	12,442	2.8	5,727
Taiwan Mobile	Taiwan	12,267	2.8	11,777
Tesco Lotus Retail Growth	Thailand	12,106	2.8	14,204
LG Chemical (Pref)	South Korea	10,866	2.5	9,080
Singapore Telecommunications	Singapore	10,665	2.4	10,345

Top ten investments		**163,149**	**37.1**	
DBS Group	Singapore	10,642	2.4	9,996
Viva Energy REIT	Australia	10,332	2.4	9,104
AusNet Services	Australia	9,555	2.2	9,075
China Mobile	China	9,435	2.1	11,237
China Resources Land	China	9,239	2.1	6,654
Shopping Centres Australasia	Australia	8,834	2.0	8,883
Hana Microelectronics (Foreign)	Thailand	8,424	1.9	8,613
Singapore Technologies Engineering	Singapore	7,507	1.7	6,840
CDL Hospitality Trust	Singapore	7,375	1.7	7,746
Spark New Zealand	New Zealand	7,315	1.7	12,338
Top twenty investments		**251,807**	**57.3**	
Rio Tinto{C}	Australia	7,159	1.6	9,139
BHP Group{C}	Australia	7,072	1.6	4,294
Siam Cement{D}	Thailand	6,855	1.6	7,262
CNOOC	China	6,836	1.6	-
Amada Holdings	Japan	6,836	1.6	6,463
Commonwealth Bank of Australia	Australia	6,633	1.5	6,875
United Overseas Bank	Singapore	6,574	1.5	6,288
SAIC Motor 'A'	China	6,562	1.5	6,916
Hang Lung Properties	Hong Kong	6,151	1.4	6,531
Okinawa Cellular Telephone	Japan	6,140	1.4	5,311
Top thirty investments		**318,625**	**72.6**	
Keppel REIT	Singapore	5,253	1.2	6,905
Infosys	India	5,187	1.2	4,154
Aeon Credit Service	Malaysia	5,184	1.2	5,736
Heineken Malaysia	Malaysia	5,085	1.2	10,219
Tata Consultancy Services	India	5,035	1.1	-
Jardine Cycle & Carriage	Singapore	5,013	1.1	11,336
ASX	Australia	4,988	1.1	3,931
Australia & New Zealand Bank Group	Australia	4,839	1.1	6,770
Tisco Financial Group Foreign	Thailand	4,715	1.1	-
Bank Rakyat	Indonesia	4,607	1.0	-
Top forty investments		**368,531**	**83.9**	
Land & Houses Foreign	Thailand	4,307	1.0	-
South32{C}	Australia	4,302	1.0	5,614
Ascendas India	Singapore	4,294	1.0	-
Westpac Banking Corporation	Australia	4,212	0.9	7,411
Yum China Holdings	China	4,037	0.9	7,106
Globalwafers	Taiwan	3,896	0.9	1,755
ICICI Bank{E}	India	3,879	0.9	4,111
Scentre Group	Australia	3,836	0.9	4,048
ComfortDelGro	Singapore	3,785	0.8	4,700
NZX	New Zealand	3,686	0.8	2,225
Top fifty investments		**408,765**	**93.0**	
Momo	Taiwan	3,604	0.8	1,724
Swire Pacific {B}	Hong Kong	3,567	0.8	7,553
Convenience Retail Asia	Hong Kong	3,236	0.7	3,196
Japan Tobacco	Japan	3,201	0.7	4,766

Standard Chartered	United Kingdom	2,620	0.6	2,241
Medibank Private	Australia	2,515	0.6	-
Auckland International Airport	New Zealand	2,438	0.6	-
Woodside Petroleum	Australia	2,058	0.5	1,954
SP Setia{F}	Malaysia	1,682	0.4	3,609
Kingmaker Footwear	Hong Kong	1,178	0.3	3,237
Top sixty investments		**434,864**	**99.0**	
Giordano International	Hong Kong	818	0.1	5,771
City Developments (Pref)	Singapore	302	0.1	287
G3 Exploration{E}	China	0	0.0	4,413
Total value of investments		**435,984**	**99.2**	
Net current assets{G}		**3,408**	**0.8**	
Total assets{A}		**439,392**	**100.0**	

{A} See definition on page 99 of the published Annual Report for the year ended 31 December 2019.

{B} Purchases and/or sales effected during the year may result in 2018 and 2019 values not being directly comparable.

{C} Incorporated in and listing held in United Kingdom.

{D} Holding includes investment in common (£4,583,000) and non-voting depositary receipt (£2,272,000) lines.

{E} Corporate bonds.

{F} Holding includes investment in Preference Shares (£451,000) and Common Stock (£1,231,000).

{G} Excludes bank loans of £35,989,000.

ALTERNATIVE PERFORMANCE MEASURES

Alternative performance measures 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 IFRS 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 have 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 December 2019 and 31 December 2018.

Year ended 31 December 2019	Dividend rate	NAV	Share price
31 December 2018	N/A	213.96p	195.75p
17 January 2019	2.40p	216.13p	196.50p
25 April 2019	2.25p	231.16p	214.00p
18 July 2019	2.25p	237.99p	218.00p
24 October 2019	2.25p	226.02p	207.00p
31 December 2019	N/A	227.15p	214.00p
Total return		**+10.5%**	**+14.2%**

Year ended 31 December 2018	Dividend rate	NAV	Share price

31 December 2017	N/A	235.63p	218.00p
18 January 2018	2.25p	235.81p	220.00p
26 April 2018	2.25p	221.94p	205.00p
19 July 2018	2.25p	223.68p	203.00p
25 October 2018	2.25p	208.92p	187.75p
31 December 2018	N/A	213.96p	195.75p
Total return		**-5.5%**	**-6.2%**

Discount to net asset value per Ordinary share. The difference between the share price of 214.00p (31 December 2018 - 195.75p) and the net asset value per Ordinary share of 227.15p (31 December 2018 - 213.96p) expressed as a percentage of the net asset value per Ordinary share.

Dividend cover. Revenue return per share of 9.42p (2018 - 9.25p) divided by dividends per share of 9.25p (2018 - 9.15p) expressed as a ratio.

Dividend yield. The annual dividend of 9.25p per Ordinary share (2018 - 9.15p) divided by the share price of 214.00p (2018 - 195.75p), expressed as a percentage.

Net gearing. Net gearing measures the total borrowings of £35,989,000 (31 December 2018 – £36,929,000) less cash and cash equivalents of £3,453,000 (31 December 2018 - £3,097,000) divided by shareholders' funds of £403,403,000 (31 December 2018 - £382,199,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to brokers at the year end of £5,000 (2018 - £525,000) as well as cash and cash equivalents of £3,458,000 (2018 - £3,622,000).

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)	3,431	3,532
Administrative expenses (£'000)	951	1,004
Ongoing charges (£'000)	**4,382**	**4,536**
Average net assets (£'000)	**406,372**	**408,207**
Ongoing charges ratio	**1.08%**	**1.11%**

The ongoing charges percentage 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.