

## ABERDEEN NEW THAI INVESTMENT TRUST PLC

### ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 28 FEBRUARY 2021

#### FINANCIAL HIGHLIGHTS

Ordinary share price total return{A}		Net asset value per Ordinary share total return{A}		Stock Exchange of Thailand Index total return	
+4.5%		+1.2%		+10.1%	
2020	-18.7%	2020	-16.6%	2020	-12.8%
Earnings per Ordinary share (revenue)		Total dividend per Ordinary share			
14.6p		19.0p			
2020	19.77p	2020	19.0p		

{A} Alternative Performance Measure.

#### FINANCIAL CALENDAR

Payment dates of dividends	26 November 2020 25 June 2021
Financial year end	28 February 2021
Online Shareholder Presentation and 'Question and Answer' session	8 June 2021
Annual General Meeting (functional only)	17 June 2021
Expected announcement of results for year ended 28 February 2022	May 2022

#### STRATEGIC REPORT

##### CHAIRMAN'S STATEMENT

*"The Investment Manager has been particularly active over the year, making some significant changes to reposition the portfolio in order to benefit from good quality companies that are poised for a turnaround."*

##### Background and Results

For the year ended 28 February 2021 (the "Year"), the Stock Exchange of Thailand Index ("SET Index") posted a total return of 10.1% in sterling terms. As was the case across most global markets, Thai equities far outstripped the real economy, which was severely hampered by the lockdown restrictions designed to counter the spread of the COVID-19 pandemic ("COVID-19"). The outbreak of COVID-19 saw the Prime Minister declare a state of emergency in Thailand that remained in force throughout 2020, and continues to remain so. This has devastated the tourism sector, which accounts for almost a fifth of the Thai economy and also hurt manufacturing, another key sector. Similar to most economies around the world, Thailand's GDP contracted during 2020, falling by 6.1%. Despite the difficult economic climate, the Thai stock market rebounded towards the end of the Year, propelled by optimism that the rollout of COVID-19 vaccines would bring forward a turnaround.

Against this backdrop, your Company's net asset value ("NAV") per Ordinary share rose by only 1.2% on a total return basis, whereas the Ordinary share price total return was 4.5%, with dividends reinvested. Stock markets around the world focused on technology and internet-related 'growth' stocks which market exuberance related to steep or excessive valuations. Cyclical 'value' stocks performed poorly until the last quarter of the Year when hopes of a post COVID-19 economic recovery spurred investor interest. Your Company had a relatively poor showing compared to the SET Index, and the Investment Manager discusses this in greater detail in the Investment Manager's Report.

## **Earnings and Dividend**

In total, the revenue earnings per Ordinary share were 14.6p for the Year (2020 – 19.8p), a decrease of 26.4%, reflecting the severe impact of COVID-19 on corporate earnings. An interim dividend of 8.0p per share (2020 – 8.0p) was paid to shareholders on 26 November 2020. The Board is declaring a second interim dividend per Ordinary share of 11.0p (2020 - second interim dividend of 11.0p), taking total dividends per share for the year to 19.0p (2020 – 19.0p). This unchanged total payment of 19.0p, which is in part funded by a transfer from revenue reserves, represents a yield of 4.4% based on the 28 February 2021 share price of 433.0p. The second interim dividend will be paid on 25 June 2021 to shareholders on the register as at 28 May 2021, with an ex-dividend date of 27 May 2021.

## **Overview**

The Company's relative performance disappointed during the Year. In particular, a surge in the SET Index in the last four months, which reflected excess liquidity as governments and central banks rushed to inject money into the global financial system, failed to benefit the majority of the Company's holdings.

Investors drove stock prices higher on anticipation that the heralded vaccine rollouts around the globe would hasten the end of COVID-19. This greater appetite for risk supported a shift towards riskier, more cyclical stocks and valuations exceeded actual market fundamentals.

The Investment Manager has been particularly active over the Year, making some significant changes to reposition the portfolio in order to benefit from good quality companies that it believes are poised for a turnaround and continues to adjust the composition of the underlying holdings. The Investment Manager has increased the portfolio's exposure to energy and utility holdings that have recently benefited from the rise in energy prices and higher demand. The Company's ownership of key financial holdings, that traditionally pay out higher dividends and have proven resilient so far, has also been increased. As such, the Company's portfolio is strategically positioned to benefit from the rotation into these value-driven stocks. Meanwhile, your Investment Manager has pared back holdings that are more interest rate sensitive and less resilient. You will find further information about these portfolio changes in the Investment Manager's Report.

## **Gearing**

During the Year, the Company maintained its loan of £10m (2020 - £10m) drawn down from its £15 million total facility with Industrial and Commercial Bank of China Limited, London Branch, which expires in October 2021. The net gearing level of 10.9% was unchanged over the Year.

## **Discount and share buybacks**

The Board continues to monitor closely the discount of the Ordinary share price to the NAV per Ordinary share (including income) and pursues a policy of selective buybacks of shares where to do so is in the best interests of shareholders whilst also having regard to the overall size of the Company. In pursuit of this objective during the Year, the Company bought back and cancelled 367,127 Ordinary shares (2020 – 92,338 Ordinary shares), representing 2.2% (2020 – 0.6%) of the Company's issued share capital at the start of the Year. An additional 127,930 Ordinary shares were bought back for cancellation between 1 March 2021 and the date of approval of this Annual Report resulting in 15,995,506 Ordinary shares in issue, with voting rights.

## **Duration**

The Company does not have a fixed life. However, under the Articles of Association, if, in the 12 weeks preceding the Company's financial year end (28 February), the Ordinary shares have been trading, on average, at a discount in excess of 15% to the underlying NAV (calculated including undistributed net revenue) over the same period, notice will be given of a special resolution to be proposed at the following AGM that the Company be put into voluntary liquidation. Over the 12 weeks ended 28 February 2021, the Company traded at an average discount of 12.5% and, accordingly, no special resolution to wind up the Company will be put to shareholders at the upcoming AGM.

I also note the Board's continuing commitment to providing shareholders with an investment proposition of producing relative outperformance of the Company's benchmark over the long term. As I related in my Statement last year, should the performance over the three years to 28 February 2023 not show outperformance of the SET Index, the Board will undertake a full review of the Company's investment management arrangements which may include, but is not limited to, an option for shareholders to redeem shares for cash.

## **Integration of Environmental Social and Governance (“ESG”) factors**

There is growing evidence that suggests that ESG factors, when integrated into investment analysis and portfolio construction, may offer investors long-term performance advantages. The Board and Investment Manager believe that ESG considerations should ultimately help minimise the portfolio's exposure to non-financial risks

such as severe weather events, climate change, water risk, supply chain risk and corruption, and this process should also help identify compelling investment opportunities in new technologies and robust, future-proofed companies with high standards of governance. We outline our Investment Manager's ESG commitment and investment approach below, followed by two case studies of portfolio companies with strong ESG credentials.

### **Promotional Activities**

Your Board is committed to regular and effective communication with all stakeholders and continues to promote the Company through the Manager's promotional activities, to which the Company contributed £58,500 (excluding VAT) during the year ended 28 February 2021 (2020 - £58,500, excluding VAT). The Board reviews regularly these promotional activities and encourages the Manager to promote the benefits of the Company to a wider audience.

The Company's website and wider digital presence continues to be enhanced. The Manager's investment trusts, including the Company, may now be followed, on LinkedIn ([linkedin.com/company/aberdeen-standard-investment-trusts](https://www.linkedin.com/company/aberdeen-standard-investment-trusts)) and on Twitter ([twitter.com/AberdeenTrusts](https://twitter.com/AberdeenTrusts)).

### **AGM**

The Board has been watching closely the ongoing impact of the COVID-19 pandemic upon the arrangements for the Company's upcoming AGM on 17 June 2021. At the time of writing, Government advice means that shareholder attendance at AGMs is not legally permissible. It is very difficult to predict the extent to which the current restrictions may be relaxed in the near future. Accordingly, in order to provide certainty, whilst encouraging and promoting interaction and engagement with our shareholders, the Board has decided to hold an interactive Online Shareholder Presentation (the "Presentation") at 9.30 am on Tuesday 8 June 2021. During the Presentation, shareholders will receive updates from the Chairman and Investment Manager followed by an interactive question and answer session. After the Presentation, shareholders will have until 9.30am on 15 June 2021 to submit their proxy votes prior to the AGM and I would encourage all shareholders to lodge their votes in advance in this manner. Full details on how to join the Presentation, including how to register, may be found at [www.workcast.com/register?cpak=1312670648328941](http://www.workcast.com/register?cpak=1312670648328941)

The Presentation will be available for viewing on the Company's website shortly after 8 June 2021.

The AGM will, by necessity, be a functional only AGM, and will be held at 9.30am on 17 June 2021 at Bow Bells House, 1 Bread Street, London EC4M 9HH. Arrangements will be made by the Company to ensure that the minimum number of shareholders required to form a quorum will attend the meeting in order that the meeting may proceed and the business be concluded. The Board considers these arrangements to be in the best interests of shareholders given the current circumstances.

The Board strongly discourages shareholders from attending the AGM on 17 June 2021 and entry will be refused if Government guidance so requires or if the Chairman considers it to be necessary. Instead, shareholders are encouraged to exercise their votes in respect of the meeting in advance. Any questions from shareholders who are unable to join the Presentation on 8 June 2021 may be submitted by email to: [New.Thai@aberdeenstandard.com](mailto:New.Thai@aberdeenstandard.com). The Board and/or the Manager will seek to respond to all such questions received either before, or after the AGM.

On behalf of the Board I should like to thank shareholders in advance for their co-operation and understanding and I very much look forward to presenting to shareholders on 8 June 2021.

### **Outlook**

The recent approval and arrival in Thailand of the Chinese-made Sinovac Biotech vaccine, together with access to the AstraZeneca vaccine in the second half of the Year, is positive news. Whilst this points to a return to normality in 2022 and 2023, there will be bumps along the way as evidenced currently by a new wave of Covid-19 infections and the relatively slow rollout of vaccinations nationally.

While domestic consumption is on the rebound, aided by fiscal stimulus, the recovery in exports is still elusive, as is the recovery of international tourism. Both will come and I am thus cautiously optimistic that Thai equities will keep to their recovery path after the low point reached in March 2020.

Thai companies have held steady through the crisis thus far, through prudent cost management, healthy cash flow positions and robust balance sheets.

On the political front, while anti-government protests have been a recurrent theme over the last year, upheaval is not new in the Kingdom's political landscape. Although I expect these popular demands to continue, the stock market has proved remarkably resilient in the past despite this period of unrest.

Over the last ten years Thai equities have delivered total returns in sterling terms of 149.8%, as measured by the SET Index whilst the Company has provided shareholders with a NAV return of 116.6% and share price total return of 133.4%. While the Year has not been good in relative terms, I continue to have confidence in your Manager's ability to position the portfolio for the better days ahead.

**Nicholas Smith,  
Chairman**

28 April 2021

## **OVERVIEW OF STRATEGY**

### **Business Model**

The business of the Company is that of an investment company which qualifies as an investment trust for UK capital gains tax purposes. The Directors do not envisage any change in this activity in the foreseeable future.

### **Investment Objective**

The Company aims to provide shareholders with a high level of long term, above average capital growth through investment in Thailand.

### **Investment Policy**

The Company's investment policy is flexible enabling it to invest in a diversified portfolio of securities (substantially in the form of equities or equity-related securities such as convertible securities and warrants but which may also include debt securities) issued by companies, spread across a range of industries, which are either (i) quoted on the SET or (ii) that are unquoted and at, or near, initial public offering stage. There are no restrictions on which market segment or geographical region within Thailand that the Company may invest nor whether its investments are in small, mid or large capitalisation companies.

### **Risk Diversification**

The Company's portfolio will comprise no less than 10 holdings and the Investment Manager will at all times have due regard to the spread of investment risk.

The Investment Manager is authorised to invest up to 10% of the Company's net assets in the securities of any single company although circumstances may occasionally arise when it may be in shareholders' interests to make an investment that exceeds this level.

The Investment Manager is authorised to invest in unquoted securities provided that such investment, in aggregate, is limited to 10% of the Company's net assets at the time any investment is made.

The Company complies with Section 1158 of the Corporation Tax Act 2010. The Company will not invest more than 10%, in aggregate, of the value of its gross assets in investment trusts or investment companies whose shares are admitted to listing on the London Stock Exchange, 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 gross assets in other investment trusts or investment companies admitted to the Official List. In any event, the Company invests no more than 15% of its gross assets in other listed investment companies (including listed investment trusts).

In addition, the Company will not:

- invest in physical commodities;
- enter into derivative transactions for speculative purposes;
- take legal or management control of any of its investee companies; or
- conduct any significant trading activity.

### **Gearing**

The Board is responsible for setting the gearing limits in place for the Company subject to a maximum level of 25% of net assets (measured when new borrowings are incurred). It is intended that this power should be used to leverage the Company's portfolio in order to enhance returns when and to the extent that it is considered appropriate to do so. Gearing will be tactical in nature and used in relation to specific opportunities or

circumstances. The Directors will take care to ensure that borrowing covenants permit maximum flexibility of investment policy.

### Benchmark

The Company's benchmark is the Stock Exchange of Thailand Index ("SET Index") in sterling-adjusted total return terms.

### Key Performance Indicators ("KPIs")

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

KPI	Description
Capital and total return of the Net Asset Value ("NAV") relative to the SET Index	The Board considers the Company's NAV capital and total return figures, relative to the SET Index, to be the best indicator of performance over time. The figures for this financial year and for the past three and five years are set out in the published Annual Report and a graph showing NAV total return performance against the SET Index over the past ten years is shown in the published Annual Report.
Discount to NAV	The discount at which the Company's share price trades relative to the NAV (including income) per share is closely monitored by the Board. A graph showing the discount over the last five years is shown in the published Annual Report.
Ongoing charges	The Board regularly monitors the Company's operating costs and their composition with a view to assessing value for money. Ongoing charges for this year and the previous year are disclosed above.

### Principal Risks and Uncertainties

There are a number of risks which, if realised, could have a material adverse effect on the Company and its financial position, performance and prospects. The Board has carried out a robust assessment of these risks, including emerging risks, which include those that would threaten its business model, future performance and solvency. The principal risks associated with an investment in the Company's shares are published monthly in the Company's factsheet which is available from the Company's website: [newthai-trust.co.uk](http://newthai-trust.co.uk).

The principal risks and uncertainties faced by the Company are reviewed at least annually by the Audit and Management Engagement Committee in the form of a detailed risk matrix and heat map and are summarised in the table below, together with any mitigating actions. In addition the Board has identified two emerging risks which it considers are likely to become more relevant for the Company in the future. Namely the implications for the Company's investment portfolio of a changing climate, and the longer term prospect of volatility in international trade relations as a consequence of a more assertive foreign policy by the US towards both China and Russia. The Board assesses these emerging risks as they develop and will consider how the Company may mitigate these risks if they become material.

The key risk facing the Company during the year was the outbreak of COVID-19 which caused significant economic disruption and contributed to global stock market volatility. The Manager, on behalf of the Board, sought assurances from its key service providers, as well as its own operations, that they were each invoking business continuity procedures and appropriate contingency arrangements to ensure that they were able to continue to meet their contractual obligations to the Company.

Other than as set out above, the Company's principal risks and uncertainties have not changed materially since the date of approval of the Annual Report and are not expected to change materially for the current financial year.

#### Description

**Discount volatility** – being the risk that the Company's share price may fluctuate and vary considerably from the underlying NAV of the Ordinary shares. External factors which may influence the discount include market conditions, general investor sentiment and the interaction of supply and demand for the Ordinary shares.

#### Mitigating Action

The Board has agreed with the Manager certain parameters within which the Company may buy back its own shares bearing in mind that the Company's operating costs would be spread across a reduced number of shares. These parameters are reviewed on an ongoing basis. Any shares repurchased may be either cancelled or held in treasury.

**Dividends** – the Company will only pay a dividend on the Ordinary shares to the extent that it has profits or revenue reserves available for that purpose. The ability of the Company to pay a dividend, and any future dividend growth, will depend primarily on the level of income received from its investments. Accordingly, the amount of the dividends paid to Ordinary shareholders may fluctuate.

**Financial and Gearing** – the financial risks associated with the portfolio could result in losses to the Company.

Whilst the use of gearing should enhance the total return on the Ordinary shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is less than the cost of borrowing, further reducing the total return on the Ordinary shares. A fall in the value of the Company's investment portfolio could result in a breach of bank covenants and trigger demands for early repayment.

**Foreign exchange risks** – the Company accounts for its activities and reports its results in sterling while investments are made and realised in Thai baht; bank borrowings are presently denominated in sterling. It is not the Company's present intention to engage in currency hedging although it reserves the right to do so. Accordingly, the movement of exchange rates between sterling, Thai baht and other currencies in which the Company's borrowings may be drawn down from time to time may have a material effect, unfavourable as well as favourable, on the total return otherwise experienced on the investments made by the Company, including the level of investment income.

**Investment objective** – the setting of an unattractive strategic proposition to the market and the failure to adapt to changes in investor demand may lead to the Company becoming unattractive to investors, a decreased demand for its shares and a widening discount.

**Liquidity risk** – this is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities. In addition, the Company may accumulate investment positions which represent more than normal daily trading volumes which may make it difficult to realise investments quickly.

**Operational and Cyber** – the Company has contracted with 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 Directors have evaluated the financial position of the Company with particular attention to the economic and social impacts of COVID-19. As indicated in the Chairman's Statement, COVID-19 presented significant challenges both to Thailand and the rest of the world. The Board takes comfort from the Investment Manager's selection of stocks with robust balance sheets and resilient business models.

The Board monitors this risk by reviewing and challenging, at each meeting, short and longer-term income forecasts prepared by the Investment Manager covering portfolio investment yield as well as the expected operating costs of the Company. The Company benefits from revenue reserves which may be drawn upon to smooth dividends payable to shareholders where there is a shortfall in revenue returns.

The financial risks associated with the Company include market risk, liquidity risk and credit risk, all of which are mitigated by the Investment Manager. Further details of the steps taken to mitigate the financial risks associated with the portfolio are set out in note 16 to the financial statements. The Board is responsible for determining the gearing strategy for the Company, with day-to-day gearing decisions being made by the Investment Manager. Borrowings are short term in nature and particular care is taken to ensure that any bank covenants permit maximum flexibility of investment policy. The Board has agreed certain gearing restrictions with the Manager and reviews compliance with these guidelines at each Board meeting. Loan agreements are entered into following review by the Company's lawyers.

The Company's multi-currency bank facility permits borrowings to be drawn down in certain non-sterling currencies if required. The Board monitors the Thai baht/sterling exchange rate at each meeting.

The Board keeps the investment objective and policy under regular review. An annual strategy meeting is held by the Board including the review of reports from the Manager's investor relations team and updates on the market from the Company's broker.

Liquidity risk is not considered to be significant as, whilst liquidity is limited in certain stocks which the Company holds, the majority of the Company's assets comprise readily realisable securities which can be sold to meet funding requirements if necessary. The Board reviews, at each meeting, the liquidity profile of the Company's investment portfolio.

The Board receives reports from the Manager biannually on internal controls and risk management and receives equivalent assurances from all its other significant service providers on at least an annual basis. This includes monitoring by the Manager, on behalf of the Board, of service providers' planning for business continuity and disaster recovery, together with their policies and procedures designed to address the risk posed to the Company's operations by cyber-crime. Further details of the internal controls which are in place are set out in the Audit and Management Engagement Committee's Report. The depositary, BNP Paribas Securities Services, presents at least annually on the Company's compliance with AIFMD. The Board notes that there were a number of potential risks stemming from COVID-19 which may have affected the operations of the Company. These included investment risks surrounding the Thai companies in the portfolio such as employee absence, reduced demand, lower turnover and supply chain breakdowns. The Manager will continue to assess

**Performance risk** – being the risk that the portfolio, managed by the Investment Manager, suffers a fall in its market value which would have an adverse effect on shareholders’ funds. The Company’s investments are subject to normal market fluctuations and the risks inherent in the purchase, holding or selling of equity securities and there can be no assurance that appreciation in the value of those investments will occur. The Investment Manager’s investment process concentrates on a company’s business strategy, management, financial strength and ownership structure as well as evaluating relevant Environmental, Social and Governance (“ESG”) factors, with a view to seeking companies that it can invest in for the long term. This quality test means that there are stocks listed on the SET Index which the Investment Manager will not invest in due to a perceived lack of transparency or poor ESG scores.

**Political risk and exchange controls** – in common with the majority of Asian stock markets, investments in Thailand are subject to a greater degree of political risk than that with which investors might be familiar. In addition, investments purchased by the Company may be subject, in the future, to exchange controls or withholding taxes in the Thai jurisdiction. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company’s investments, the effect will generally be to reduce both the income received by the Company from its investments and/or the capital value of the affected investments.

**Regulatory and Governance** – failure to comply with relevant regulation (including the Companies Act, the Financial Services and Markets Act, the Alternative Investment Fund Managers Directive, accounting standards, investment trust regulations and the Listing Rules, Disclosure Guidance and Transparency Rules and Prospectus Rules) may have an adverse impact on the Company. Any change in the Company’s tax status or in taxation legislation (including the tax treatment of dividends or other investment income received by the Company) could affect the value of the investments held by the Company and the Company’s ability to provide returns to shareholders or alter the post-tax returns to shareholders. In addition, a failure of corporate governance by the Board, in terms of its duty to act in the best interests of all shareholders, could be to the disadvantage of the Company. Corporate governance extends to all aspects of the operation of the Board including its membership, the indirect effect of reputational damage as well as covering its external responsibilities to the Company’s stakeholders in the widest sense.

## Promoting the Company

the performance of the underlying investee companies, together with their responses to COVID-19, and be pro-active in taking investment decisions where necessary.

The Manager, on behalf of the Board, has sought assurances from its key service providers, as well as its own operations, that they are each invoking business continuity procedures and appropriate contingency arrangements to ensure that they are able to continue to meet their contractual obligations to the Company. The Manager has communicated these assurances to the Board as part of regular updates since the Company’s year end which, to date, have indicated no interruption of service.

The Investment Manager seeks to diversify market risk by investing in a wide variety of companies with strong balance sheets and the earnings power to pay increasing dividends. In addition, investments are made in diversified sectors in order to reduce the risk of a single large exposure; at present the Investment Manager may not invest more than 10% of the Company’s net assets in any single stock. The Investment Manager is authorised to invest in unquoted securities provided that such investment, in aggregate, is limited to 10% of the Company’s net assets at the time any investment is made, which assist with diversifying stock-specific market risk. The Investment Manager believes that diversification should be looked at in absolute terms rather than relative to the SET Index. The performance of the portfolio relative to the SET Index and the underlying stock weightings in the portfolio against their index weightings are monitored closely by the Board.

Given the nature of the risks to which the Company’s investments are subject, which are those inherently associated with a single-country fund, there are limited options available to the Board for mitigating these risks. The Board believes that mitigation is best effected by careful selection of the constituents of the Company’s portfolio with high-calibre, financially-sound companies, with good management and excellent growth potential. The Manager is well-placed to achieve this through its team of investment managers based in Bangkok, supported by colleagues in Singapore.

Investment in Thai equities involves a greater degree of risk than that usually associated with investment in major securities markets. Through regular interaction with the Manager and other commentators, the Board stays up-to-date with the latest political and economic news in Thailand.

The Board is responsible for ensuring the Company’s compliance with applicable regulations. Monitoring of this compliance, and regular reporting to the Board thereon, has been delegated to the Manager. The Board receives updates from the Manager and AIC briefings concerning industry changes. From time to time, the Company also employs external advisers covering specific areas of compliance.

The Company sets out in the published Annual Report its compliance with the AIC Code on Corporate Governance, published in February 2019.

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to, and participation in, the promotional programme run by Aberdeen Standard Investments on behalf of a number of investment companies under its management. The Company's financial contribution to the programme is matched by Aberdeen Standard Investments. Representatives of Aberdeen Standard Investments report quarterly to the Board with analysis of the promotional activities as well as with updates on the shareholder register and any changes in its composition.

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

### **Board Diversity Policy**

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 however it does not consider appropriate the setting of diversity targets. As at 28 February 2021 there were two male Directors and two female Directors (2020: two male Directors and two female Directors).

### **Our Focus on Environmental, Social and Governance ("ESG")**

#### ***Environment***

The Company has no material greenhouse gas emissions to report from the operations of its business, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors Reports) Regulations 2013. The Investment Manager is mindful of the environmental policies of portfolio companies and seeks to ensure that all investee companies comply with both international and regional environmental regulations.

#### ***Social***

The Company has no employees as the Board has delegated day to day management and administrative functions to ASFML. There are therefore no disclosures to be made in respect of employees.

#### ***Governance***

The Board acknowledges the risks associated with investment in companies which fail to conduct business responsibly. The Board has noted the corporate stewardship and sustainability programme of Aberdeen Standard Investments, which can be found at: [aberdeenstandard.com/en/responsible-investing](http://aberdeenstandard.com/en/responsible-investing).

The Manager integrates ESG research and analysis across its investment process and further information may be found below.

### **Viability Statement**

The Company does not have a formal fixed period strategic plan but the Board does formally consider risks and strategy on at least an annual basis. 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 (the "Review Period") is an appropriate period over which to report. The Board considers that the Review 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 assessed the following factors:

- the Company's principal risks and uncertainties as set out in the Strategic Report above;
- the relevance of the Company's investment objective;
- the demand for the Company's shares indicated by the level of premium and/or discount;
- the level of income generated by the Company's portfolio as compared to its expenses;
- the overall liquidity of the Company's investment portfolio; and
- the £15m multi-currency revolving credit facility, which is repayable in October 2021, and any requirement for the Company to repay or refinance the drawn-down element of the credit facility prior to, or at, its maturity date.

In addition, the Board has considered that significant economic or stock market volatility, or further regulatory uncertainty, could have an impact on its assessment of the Company's prospects and viability in the future.

Accordingly, taking into account the Company's current position and the potential impact of its principal risks and uncertainties, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due for a period of three years from the date of this report. In making this assessment, the Board has considered in particular the potential short and longer term impact of COVID-19, in the form of a large economic shock, a period of significant stock market volatility, a significant reduction in the liquidity of the portfolio or changes in investor sentiment, and how these factors might affect the Company's prospects and viability in the future.

In particular the Board recognises that this assessment makes the assumption that the Company's average discount to the NAV per Ordinary share (including income) for the 12 weeks ended 28 February 2022 and 12 weeks ended 28 February 2023, individually, will not exceed 15%. This would negate the requirement to put a special resolution to wind up the Company to shareholders at the AGMs to be held in either 2022 or 2023.

### **Future**

Further details on the Directors' expectations regarding the future, may be found in the Chairman's Statement and the Investment Manager's views are included in its Report.

On behalf of the Board

**Nicholas Smith,  
Chairman**

28 April 2021

## **PROMOTING THE SUCCESS OF THE COMPANY**

The Board requires to report on how it has discharged, under section 172 of the Companies Act 2006, its duty to promote the success of the Company for the benefit of its members (shareholders) as a whole, taking into account the likely long term consequences of its decisions, the need to foster relationships with the Company's stakeholders, and the impact of the Company's operations on the environment. In addition the Board must act fairly between shareholders and be cognisant of maintaining the reputation of the Company. The following focusses on the year under review but forms part of the application of these duties over this and successive reporting periods.

### **The Purpose of the Company and Role of the Board**

The purpose of the Company is to act as a vehicle to provide, over time, financial returns (both income and capital) to its shareholders. Investment trusts, such as the Company, are long-term investment vehicles and are typically externally managed, have no employees, and are overseen by an independent non-executive board of directors.

The Board, which during the year comprised four independent non-executive Directors with a broad range of skills and experience across all major functions that affect the Company, retains responsibility for taking all decisions relating to the Company's investment objective and policy, gearing, corporate governance and strategy, and for monitoring the performance of the Company's service providers.

The Board's philosophy is that the Company should operate in a transparent manner where all parties are treated with respect as well as 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 key service providers.

The Company's main stakeholders are Shareholders, the Manager, Investee Companies, Service Providers, Debt Providers and the Environment and Community.

### **How the Board Engages with Stakeholders**

The Board considers its stakeholders at Board meetings and receives feedback on the Manager's interactions with them.

Stakeholder	How the Board Engages
<b>Shareholders</b>	<p>Shareholders are key stakeholders and the Board places great importance on communication with them. The Board welcomes all shareholders' views and aims to act fairly between all shareholders. The Manager and Company's broker regularly meet with current and prospective shareholders to discuss performance and shareholder feedback is discussed by the Directors at Board meetings. Regular updates are provided to shareholders through the Annual Report, Half Yearly Report, Manager's monthly factsheets, company announcements, including daily net asset value announcements, and via the Company's website. The Company's AGM normally provides a forum, both formal and informal, for shareholders to meet and discuss issues with the Board and Investment Manager. The Chairman's Statement sets out the particular arrangements which the Company has had to adopt for the next AGM in light of COVID-19 and includes details of how Shareholders may submit questions to the Board and Manager in advance of the AGM and also join an interactive Online Shareholder Presentation on 8 June 2021. However, to encourage and promote interaction and engagement with shareholders, the Board has decided to hold an interactive Online Shareholder Presentation at 9.30 am on Tuesday 8 June 2021. Full details on how to join the Presentation are set out in the Chairman's Statement.</p> <p>The Board hopes to welcome shareholders to the AGM next year.</p>
<b>Manager</b>	<p>The Investment Manager's Report details the key investment decisions taken during the year. The Investment Manager has continued to manage the Company's assets in accordance with the mandate provided by shareholders, with the oversight of the Board.</p> <p>The Board regularly reviews the Company's performance against its investment objective and the Board undertakes an annual strategy review to ensure that the Company is positioned well for the future delivery of its objective for its stakeholders.</p> <p>The Board receives presentations from the Investment Manager at every Board meeting to help it to exercise effective oversight of the Investment Manager and the Company's strategy.</p> <p>The Board, through the Audit and Management Engagement Committee, formally reviews the performance of the Manager at least annually.</p>
<b>Investee Companies</b>	<p>Responsibility for actively monitoring the activities of portfolio companies has been delegated by the Board to the Manager which has sub-delegated that authority to the Investment Manager. The Board has also given discretionary powers to the Investment Manager to exercise voting rights on resolutions proposed by the investee companies within the Company's portfolio. The Manager reports on a quarterly basis on stewardship (including voting) issues.</p> <p>Through engagement and exercising voting rights, the Investment Manager actively works with companies to improve ESG.</p>
<b>Service Providers</b>	<p>The Board seeks to maintain constructive relationships with the Company's suppliers, either directly or through the Manager, through regular meetings and review of KPI reporting. The Audit and Management Engagement Committee conducts an annual review of the performance, terms and conditions of the Company's main service providers to ensure they are performing in line with Board expectations and providing value for money.</p>
<b>Debt Providers</b>	<p>On behalf of the Board, the Manager maintains a positive working relationship with Industrial and Commercial Bank of China, the provider of the Company's £15m multi-currency loan facility, ensuring compliance with its loan covenants and arranging for regular updates for the lender on the Company's business activities, where requested.</p>
<b>Environment and Community</b>	<p>The Board and Manager are committed to investing in a responsible manner and the Investment Manager integrates ESG considerations into its research and</p>

Stakeholder	How the Board Engages
	analysis as part of the investment decision-making process.

### Specific Examples of Stakeholder Consideration During the Year

While the importance of giving due consideration to the Company's stakeholders is not new, and is considered as part of every Board decision, the Directors were particularly mindful of stakeholder considerations during the following decisions undertaken during the year ended 28 February 2021.

### Share Buy Backs

During the year the Company bought back and cancelled 367,127 shares, providing a small accretion to the NAV per share and a degree of liquidity to the market at times when the discount to the NAV per share had widened in normal market conditions. It is the view of the Board that this policy is in the interest of all shareholders.

### ESG

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 is supportive of the Investment Manager's pro-active approach to ESG engagement.

PERFORMANCE	1 year return %	3 year return %	5 year return %
<b>Total return (capital return plus dividends reinvested)</b>			
Share price{A}	+4.5	-18.2	+23.7
Net asset value{A}	+1.2	-19.9	+19.3
SET Index	+10.1	-7.7	+55.2
<b>Capital return</b>			
Share price	-0.2	-26.9	+6.1
Net asset value	-2.7	-27.2	+4.8
SET Index	+6.8	-16.0	+32.4

{A}Alternative Performance Measure

Source: Aberdeen Standard Investments, Morningstar & Lipper

FINANCIAL HIGHLIGHTS	28 February 2021	28 February 2020	% change
Total assets (£'000)	91,612	95,787	-4.4
Equity shareholders' funds (net assets) (£'000)	81,612	85,787	-4.9
Market capitalisation (£'000)	69,814	71,569	-2.5
Ordinary share price	433.00p	434.00p	-0.2
Net asset value per Ordinary share (capital value)	506.17p	520.22p	-2.7
Discount to net asset value per Ordinary share {A}	14.5%	16.6%	
Stock Exchange of Thailand ("SET") Index (Sterling adjusted, capital return)	35.53	33.26	+6.8
Net gearing {A}	10.85%	10.89%	
<b>Dividends and earnings</b>			
Revenue return per share	14.56p	19.77p	-26.4
Total dividends per share	19.0p	19.0p	-
Dividend cover {A}	0.77	1.04	

Revenue reserves (prior to payment of second interim dividend) (£'000) {B}	3,592	4,328
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### Operating costs

Ongoing charges ratio {A}	1.27%	1.30%{C}
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{A} Considered to be an Alternative Performance Measure

{B} Reflects dividends paid during the year.

{C} Revised from 1.24% to include costs associated with holding collective investment schemes, in accordance with current AIC guidance.

### DIVIDENDS

	Rate	Ex-dividend date	Record date	Payment date
Second interim dividend 2021	11.0p	27 May 2021	28 May 2021	25 June 2021
First interim dividend 2021	8.0p	29 October 2020	30 October 2020	26 November 2020
<b>Total 2021</b>	<b>19.0p</b>			
Second interim dividend 2020	11.0p	28 May 2020	29 May 2020	26 June 2020
First interim dividend 2020	8.0p	24 October 2019	25 October 2019	22 November 2019
<b>Total 2020</b>	<b>19.0p</b>			

### TEN YEAR FINANCIAL RECORD

Year to 28 February	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Total revenue (£'000)	2,961	2,934	3,715	3,546	3,573	3,894	3,945	4,165	4,355	3,264
<b>Per share (p)</b>										
Net revenue return	8.87	7.39	8.73	8.20	8.89	10.31	11.12	18.50	19.77	14.56
Net dividends paid/proposed	8.00	7.00	8.00	8.20	8.50	10.30	11.10	18.00	19.00	19.00
Net asset value	387.73	569.58	418.64	542.49	483.03	600.22	694.80	641.45	520.22	506.17
Ordinary share price	311.25	537.50	353.75	458.25	408.00	510.00	592.00	552.00	434.00	433.00
Equity shareholders' funds (£'000)	72,106	120,873	87,175	112,640	95,932	111,212	117,168	106,371	85,787	81,612

### INVESTMENT MANAGER'S REPORT

#### Overview

Thai equities rose in the year ended 28 February 2021 (the "Year"), rebounding from the disruption caused by the state of emergency to contain the COVID-19 pandemic at the beginning of the Company's financial year. The unprecedented fiscal stimulus and monetary easing introduced worldwide, as well as the more recent vaccine rollout, helped share prices in the broader region to recover in the final quarter of the year. However, Thai stocks lagged as travel curbs temporarily crippled its large tourism sector. Separately, severe droughts heightened concerns around the kingdom's crucial agricultural exports. On the political front, pro-democracy protests in Bangkok also muted sentiment, alongside worries of a potential influx of refugees from Myanmar following the military coup.

Unsurprisingly, Thailand's GDP contracted by 6.1% in 2020, largely a result of nationwide curfews in the initial stages of the pandemic. The government's policy response included tax relief, loan repayment moratoriums, soft

loans for small and medium-sized enterprises, aid for the tourism-related and medical sectors, as well as cash handouts for individuals.

Energy stocks rallied with the return of crude oil prices to pre-pandemic levels. China's 2060 carbon-neutral goal and the electric vehicle boom further lifted prospects for alternative energy power producers and related industrials.

The financial sector rebounded with the relaxation of lockdown measures in October. Levels of non-performing loans were lower than expected, against substantial loan provisioning made earlier in the Year. Moreover, the Bank of Thailand removed the restrictions that had been imposed on dividend payments by financial institutions, signalling that the risk of high levels of bad debt had abated. This led to hopes that net interest margins would improve, given the lower credit cost to lenders and central banks' shift away from last year's monetary easing.

### Portfolio

Your Company's net asset value returned 1.2% in sterling total return terms for the Year, whereas the benchmark Stock Exchange of Thailand index ("SET Index") rose by 10.1%.

This was disappointing and due principally to the portfolio's positioning. Your Company's holdings lagged the SET Index, primarily owing to the volatility witnessed in utilities earlier in the Year, followed by an unprecedented rally in the technology sector towards the end of the financial year.

A significant detractor to performance was the lack of exposure to **Delta Electronics (Thailand)** ("Delta") whose share price soared over seven-fold in the Year on optimism generated by accelerated global electronics demand, such as from data centres. This was compounded by the relatively low free float which restricted the availability of Delta's shares. Despite the promising growth prospects, we believe the company's share price had become excessively optimistic. At its share price peak, Delta's market capitalisation exceeded even that of its parent company and major shareholder. Within this peer group, we prefer **Hana Microelectronics** as being more sensibly valued and offering quality exposure to consumer electronics and microelectronics demand, particularly in mobile devices, which continue to grow at a robust rate.

In the energy sector, your Company's sizeable exposure proved costly, and again, the pandemic was the primary factor in disrupting these infrastructure investments. At the stock level, **Electricity Generating Public Co** lagged as a relatively low growth outlook limited its capacity to pay dividends. The company's well-diversified portfolio includes natural gas, coal, biomass, hydro, solar, wind and geothermal fuel sources, but a lack of clarity around its expansion plans weighed on its share price. Nevertheless, we remain optimistic about the company as we believe its robust balance sheet and cash flow, as well as solid shareholder backing, should help it overcome these concerns. Moreover, it offers exposure to projects across various countries in the Asia Pacific rim. Encouragingly, its portfolio investments support Thailand's transition to a lower carbon economy which, in the longer term, stands to benefit from the push towards ambitious climate targets by regional governments.

Conversely, mitigating the poor performance were the Company's holdings in the services sector, which remains the portfolio's largest sectoral exposure. **Haad Thip's** new and efficient soft-drinks factory, as well as other productivity improvements, supported its share price. The company is the sole bottler and distributor of Coca-Cola in southern Thailand, as well as the market leader for non-alcoholic drinks. It remained financially and operationally sound throughout the pandemic and was able to maintain its dividend.

Another services holding that performed well was **Mega Lifesciences**, which manufactures prescription drugs, over-the-counter products and nutraceuticals. Not only has it developed an extensive local network, but it also offers exposure to interesting emerging and frontier markets, including Myanmar, Vietnam, and Cambodia. The company experienced robust revenue growth, supported by recurring orders from hospitals. Near term concerns arising from COVID-19 also boosted the sales of health supplements.

In the financial sector, we were encouraged that the overall asset quality of the portfolio's underlying holdings was maintained, defying the slow economic turnaround. Reported earnings from both **Tisco Financial Group** and **AEON Thana Sinsap** beat market expectations with a sharp decline in provisions for bad debts.

### Portfolio Changes

We actively monitor about a hundred stocks, ranging from regional leaders to smaller ones that have the potential of evolving into larger companies over time. Our stock-picking process screens out many others that fail to meet our stringent quality criteria.

The prospect of a global economic recovery came with a greater risk appetite. During the past six months, our work on smaller companies which began about three years back bore fruit. Having been laggards for a few years,

small caps in Asia finally began to rise faster than large caps during the second half of the Year. We took the opportunity to take profits from small cap holdings that had a good run, including top contributors such as Haad Thip, Mega Lifesciences, Hana Microelectronics, AEON Thana Sinsap and Thai Stanley Electric. We also made use of the small cap rally to exit ThaiRe Life and Dynasty Ceramic, and sell off illiquid names such as Siam City Cement and Krungthai Car. Against these, we built up positions which we believe are poised to benefit when the Kingdom emerges from the pandemic-related restrictions, which is likely to lift companies in the financial, retail and cyclical sectors.

In the financial sector, we took the opportunity to increase our high conviction positions, while selling companies with less resilient balance sheets. Among these additions were **Kasikornbank**, which we see as being best-placed to take advantage of the shift towards digital banking. We also increased our holding in **Bangkok Bank**, which we believe offers the strongest asset quality in an uncertain economic outlook.

Among the smaller companies, we introduced insurance broker **TQM Corp** and added to **Tisco Financial**. TQM started as a non-life insurance business before developing new business channels in other fragmented insurance segments. We believe its large client base of over a million domestic customers and digital platforms will help it gain market share. Additionally, we like its solid balance sheet, low debt and steady premium growth.

Two new holdings with interesting growth stories bought by the Company stemmed from the boom in online shopping. We initiated a holding in **Kerry Express Thailand**, an integrated logistics services provider with extensive networks across Southeast Asia. We also subscribed to the initial public offer of **SCG Packaging**, a subsidiary of **Siam Cement Group**, which the Company already owns. SCG Packaging offers exposure to the recovery in domestic consumption via packaging products and services, including in Vietnam and Indonesia. The company has put resources into developing a diverse range of packaging products using high-quality and eco-friendly materials. We also introduced **CP All**, the undisputed leader of Thailand's convenience retail sector. Its 7-Eleven master franchise has over 10,000 outlets across the kingdom. Its other notable business segments include retail warehouse operator Siam Makro and the recently acquired hypermarket chain Tesco Lotus.

We also adjusted the Company's resources holdings to benefit from higher energy and water consumption. New companies purchased included **WHA Utilities and Power**, **Gulf Energy Development** and **B Grimm Power** (see the case study below).

In the first six months of the Year, we introduced **Airports of Thailand** and **Intouch Holdings**, the major shareholder of Thailand's largest mobile network operator **Advanced Info Service**, another portfolio company. Against these, to reduce some financial risk where balance sheets were more highly geared or business models less resilient in the wake of the pandemic, we sold completely Asset World Corporation, Banpu, Banpu Power, Bumrungrad Hospital, Interhides, Krungthai Car, LPN Development, Dynasty Ceramic, Siam City Cement, Kiatnakin Bank, Siam Commercial Bank, and ThaiRe Life Assurance.

## Outlook

Thai equities are likely to benefit from the rotation from sectors in North Asian markets with lofty valuations into cyclical stocks in the domestic market. The government has done well in curbing the spread of COVID-19 early in the pandemic, although the risks of new infections remain including a resurgence of cases in April. As the world learns to manage new outbreaks, the rollout of vaccines globally should eventually lead to a revival of the tourist trade, boosting the economy. We believe the portfolio is well-positioned for a domestic recovery and leveraged growth through banks and other financials, and via its balanced exposure to energy and utilities. Moreover, exports are benefiting from higher activity levels among its trading partners, including China, Japan, the US and Vietnam. In the longer term, the country is expected to gain from its membership of the Regional Comprehensive Economic Partnership, the world's largest trading bloc, formed in late 2020. Its membership includes China, several developed economies in the Asia Pacific, as well as certain other countries in Southeast Asia and Indochina.

Importantly, we have continued to intensify our Environmental, Social and Governance ("ESG") engagement with portfolio companies, including Siam Cement and CP All, and encourage all of our investee companies to improve their disclosures in this regard. This should improve their ratings where it can be demonstrated that businesses have a responsible and more sustainable proposition. Your Company currently has an ESG ranking of 'AA' from ratings agency MSCI which is higher than that of 'A' for the SET Index.

Thailand is home to many outstanding businesses and is also the gateway to a handful of rapidly-growing frontier markets, including Cambodia, Laos, Myanmar and Vietnam. As such, the Company is poised to benefit from their transformation, with many Thai corporates already positioned to become regional leaders. Investment due diligence is conducted by experienced professionals in Thailand, and supported by regional sector specialists as well as third-party resources. As long-term investors, we remain confident that the portfolio's high-quality

underlying holdings, with steady credit lines, robust balance sheets, strong cash flow and prudent management will stand the Company in good stead beyond the current global health crisis.

**Aberdeen Standard Investments (Asia) Limited,  
Investment Manager**

28 April 2021

**INVESTMENT PORTFOLIO – TEN LARGEST INVESTMENTS  
As at 28 February 2021**

**PTT Public Company**

Thailand's national energy company, with interests in upstream operations via PTT Exploration and Production (PTTEP), gas transmission pipelines, refineries, petrochemicals, power generation and downstream oil trading and marketing.

**CP All**

The sole operator of 7-Eleven convenience stores in Thailand. It has exposure to cash and carry operator Siam Makro, while its investment in Tesco's Thai and Malaysian operations provides longer-term growth opportunities.

**Airports of Thailand**

Operator of six airports in Thailand including Bangkok, Chiang Mai and Phuket generating income from aeronautical and non-aeronautical activities, the latter including rents, services and concessions.

**Advanced Info Service**

Thailand's largest mobile operator, which is targeting prepaid-to-postpaid migration and accelerated 5G adoption to drive revenue growth, backed by a strong network and solid balance sheet.

**Central Pattana**

Thailand's largest developer of shopping malls, with related businesses in offices and, more recently, residential property development. It is a unit of conglomerate Central Group.

**Tisco Financial Group**

A financial services group focused on retail lending, in particular hire purchase and car loans. Its capital buffer, dividend and return on equity are among the highest across its peers.

**Bangkok Dusit Medical Services**

Operator of the largest private hospital network in Thailand, BDMS provides exposure to rising domestic demand for healthcare.

**Osotspa**

A leading beverages and personal care producer in Thailand and neighbouring countries including Cambodia, Laos and Myanmar.

**Home Product Center**

The leading retailer of building materials and home improvement products in Thailand, with more than 90 stores nationwide.

**Siam Cement**

Thailand's largest industrial conglomerate with operations in petrochemicals, cement, paper and building materials with operations in Bangladesh, Cambodia, Sri Lanka and Vietnam as well as in Thailand.

**INVESTMENT PORTFOLIO – OTHER INVESTMENTS  
As at 28 February 2021**

Company	Sector	Valuation 2021{A} £'000	Total assets %	Valuation 2020{A} £'000
PTT Public Company	Energy & Utilities	6,109	6.7	6,792
CP All	Commerce	5,288	5.8	-

Airports of Thailand	Transportation & Logistics	5,284	5.8	-
Advanced Info Service	Information & Communication Technology	4,684	5.1	4,905
Central Pattana	Property Development	4,258	4.6	4,069
Tisco Financial Group	Banking	4,127	4.5	2,215
Bangkok Dusit Medical Services	Health Care Services	3,612	3.9	3,301
Osotspa	Food & Beverage	3,431	3.7	3,853
Home Product Center	Commerce	3,397	3.7	3,830
Siam Cement	Construction Materials	3,272	3.6	3,612
<b>Top ten investments</b>		<b>43,462</b>	<b>47.4</b>	
Kasikornbank	Banking	3,070	3.4	2,437
Bangkok Bank	Banking	2,826	3.1	2,324
B Grimm Power	Energy & Utilities	2,811	3.1	-
Toa Paint	Construction Materials	2,711	3.0	2,698
PTT Exploration & Production	Energy & Utilities	2,649	2.9	2,813
Land & Houses{B}	Property Development	2,602	2.8	3,929
Mega Lifesciences	Commerce	2,477	2.7	2,397
Bangkok Insurance	Insurance	2,438	2.7	3,413
Thai Stanley Electric	Automotive	2,426	2.6	2,813
Gulf Energy	Energy & Utilities	2,244	2.4	-
<b>Top twenty investments</b>		<b>69,716</b>	<b>76.1</b>	
Aeon Thana Sinsap	Finance & Securities	2,140	2.3	3,809
Hana Microelectronics	Electronic Components	1,915	2.1	2,470
Electricity Generating	Energy & Utilities	1,849	2.0	2,031
SCG Packaging	Packaging	1,722	1.9	-
Intouch Holdings	Information & Communication Technology	1,697	1.9	-
Siam Global House	Commerce	1,678	1.8	952
Minor International {C}	Food & Beverage	1,501	1.7	2,702
Central Retail	Commerce	1,477	1.6	1,291
Haad Thip	Food & Beverage	1,186	1.3	1,519
Tesco Lotus Retail Growth Freehold & Leasehold Property Fund (Local market shares)	Property Fund & REITS	1,037	1.1	1,981
<b>Top thirty investments</b>		<b>85,918</b>	<b>93.8</b>	
WHA Utilities	Energy & Utilities	1,006	1.1	-
Eastern Water Resources Development & Management	Energy & Utilities	904	1.0	2,496
Goodyear (Thailand)	Automotive	777	0.8	748
TQM Corporation	Insurance	712	0.8	-
Kerry Express	Transportation & Logistics	699	0.8	-
Muang Thai Insurance	Insurance	480	0.5	1,066
<b>Total investments</b>		<b>90,496</b>	<b>98.8</b>	
Net current assets{D}		1,116	1.2	
<b>Total assets</b>		<b>91,612</b>	<b>100.0</b>	

{A} Purchases and/or sales effected during the year will result in 2020 and 2021 values not being directly comparable.

{B} Holding includes investment in both common stock and non-voting depositary receipts.

{C} Holding includes investment in both common stock and warrants.

{D} Excludes bank loans of £10,000,000.

Note: Unless otherwise stated, foreign stock is held.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE ENGAGEMENT

Whilst the management of the Company's investments is not undertaken with any specific instructions to exclude certain asset types or classes, the Investment Manager embeds Environmental, Social and Governance ("ESG") factors into the research of each asset class as part of the investment process. ESG investment is about active engagement, in the belief that the performance of assets owned by the Company can be improved over the longer term.

### What is ESG, and why do we do it?

ESG considerations have been an integral part of the Investment Manager's decision-making process for almost 30 years. The Investment Manager believes that ESG factors are financially material and can meaningfully affect a company's performance. Hence, a company's ability to generate returns sustainably for investors depends on the management of its environmental impact, its consideration of the interests of society and all stakeholders, and on the way it is governed. By putting ESG factors at the heart of its investment process, the Investment Manager aims to generate better outcomes for the Company's shareholders. The three factors can be considered as follows:

- **Environmental** factors relate to how a company conducts itself with regard to environmental conservation and sustainability. Types of environmental risks and opportunities include a company's energy consumption, waste disposal, land development and carbon footprint, among others.
- **Social** factors pertain to a company's relationship with its employees and suppliers. Risks and opportunities can include (but are not limited to) a company's initiatives on employee health and well-being, and how supplier relationships align with corporate values.
- **Corporate governance** factors can include the corporate decision-making structure, independence of board members, the treatment of minority shareholders, executive compensation and political contributions, among others.

At the investment stage, ESG factors and analysis help to frame where best to invest by considering material risks and opportunities alongside other financial metrics. Due diligence can ascertain whether such risks are being adequately managed, and whether the market has understood and priced them accordingly.

The Investment Manager is an active owner, voting at shareholder meetings in a deliberate manner, working with companies to drive positive change, and engaging with policymakers on ESG and stewardship matters.

### Can we measure it?

There are elements of ESG that can be quantified, for example the diversity of a board, the net carbon impact of a company, and the level of employee turnover. While diversity can be monitored, measuring inclusion is more of a challenge. Although it is possible to measure the level of staff turnover, it is more challenging to quantify corporate culture. Relying on calculable metrics alone would lead potentially to misleading insights. As active managers, quantitative and qualitative assessments are blended to better understand the ESG performance of a company.

The Investment Manager's analysts consider such factors in a systematic and globally-applied approach to assess and compare companies consistently on their ESG credentials, both regionally and against their peer group. Some of the key questions asked of companies include:

- How material are ESG issues for this company, and how are they being addressed?
- What is the quality of this company's governance, ownership structure and management?
- Are incentives and key performance indicators aligned with the company's strategy and the interests of shareholders?

The questions asked differ from company to company; the type of questions posed to a bank would be quite different from those of a semiconductor manufacturing firm. Having considered the regional universe and peer group in which the company operates, an ESG score is assigned ranging from 1 to 5. This proprietary ESG score is applied to every stock within the Manager's investment universe.

## The ESG Scoring System

Having considered the regional universe and peer group in which a company operates, the Investment Manager allocates it an ESG score between one and five. This is applied across every stock covered globally. Examples of each category and a small sample of the criteria used are detailed below:

<b>1. Best in class</b>	ESG considerations are a material part of the company's core business strategy. Excellent disclosure. Makes opportunities from strong ESG risk management.
<b>2. Leader</b>	ESG considerations are not market-leading. Disclosure is good, but not best in class. Governance is generally very good.
<b>3. Average</b>	ESG risks are considered in the normal course of the company's business. Disclosure in line with regulatory requirements. Governance is generally of a high standard but some minor concerns.
<b>4. Below average</b>	Evidence of some financially material controversies. Poor governance or limited oversight of key ESG issues. Some issues in treating minority shareholders poorly.
<b>5. Laggard</b>	Many financially material controversies. Severe governance concerns. Poor treatment of minority shareholders.

## Climate Change

Climate change is one of the most significant challenges of the 21st century and has big implications for investors. The energy transition is underway in many parts of the world, and policy changes, falling costs of renewable energy, and a change in public perception are happening at a rapid pace. Assessing the risks and opportunities of climate change is a core part of the investment process. In particular, the Investment Manager considers:

### • Transition risks and opportunities

Governments could take robust climate change mitigation actions to reduce emissions and transition to a low-carbon economy. This is reflected in targets, policies and regulation and can have a considerable impact on high-emitting companies.

### • Physical risks and opportunities

Insufficient climate change mitigation action will lead to more severe and frequent physical damage. This results in financial implications, including damage to crops and infrastructure, and the need for physical adaptation such as flood defences.

The Investment Manager has aligned its approach with that advocated by the investor agenda of the Principles for Responsible Investment ("PRI") – a United Nations-supported initiative to promote responsible investment as a way of enhancing returns and better managing risk.

The PRI provides an intellectual framework to steer the massive transition of financial capital towards a more sustainable global economy. It also encourages fund managers to demonstrate climate action across four areas: investments; corporate engagement; investor disclosure; and policy advocacy as explained below:

	FOCUS	OBJECTIVE	AIM
<b>Investments</b>	Research & Data	Provide high quality climate-change insights and thematic research across asset classes and regions. This includes using climate-related data as an input into the investment process.	Provide relevant high-quality data and insights on climate-change trends, risks and opportunities that are fully integrated into our decision making and drive positive outcomes for our clients
	Investment Integration	Understand the potential impacts of climate-change risks and opportunities across regions and sectors, integrate these into our investment decisions and understand the implications for our portfolios.	
	Client Solutions	Understand client needs in relation to climate change and low-carbon product demand. Develop innovative climate-related client solutions and products across all asset classes.	
<b>Corporate Engagement</b>	Investee Engagement & Voting	Better understands investee exposure and management of climate change risks and opportunities.	
		Influence investee companies on management of climate change risks and opportunities via engagement and voting. Highlight expectation to apply the Task Force on Climate-related Financial Disclosures ("TCFD") framework when reporting on climate-related data.	
<b>Policy Advocacy</b>	Collaboration & Influence	Collaborate with climate-change-related industry associations and participate in relevant initiatives. Engage with peers and policymakers to drive industry developments and best practice.	
<b>Investor Disclosure</b>	Disclosure	Disclose climate-change-related data using the TCFD reporting framework across the four pillars: governance, strategy, risk management, metrics and targets.	

### Importance of Engagement

The Investment Manager is committed to regular, ongoing engagement with the companies in which it invests, to help to maintain and enhance their ESG standards into the future.

As part of the investment process, the Investment Manager undertakes a significant number of company meetings each year on behalf of the Company. Your Company is supported by on-desk ESG analysts, as well as a well-resourced specialist ESG Investment team. These meetings provide an opportunity to discuss various relevant ESG issues including board composition, remuneration, audit, climate change, labour issues, human rights, bribery and corruption. Companies are strongly encouraged to set clear targets or key performance indicators on all material ESG risks.

ESG engagements are conducted with consideration of the 10 principles of the United Nations Global Compact, and companies are expected to meet fundamental responsibilities in the areas of human rights, labour, the environment and anti-corruption.

This engagement is not limited to a company's management team. It can include many other stakeholders such as non-government agencies, industry and regulatory bodies, as well as activists and the company's customers and clients.

### ESG CASE STUDIES

#### B.Grimm Power

**What does the company do?**

B.Grimm Power is one of the largest decentralised power producers in Thailand, supporting the industrial sector and economic growth in Southeast Asia. It builds and operates gas-fired and renewable energy plants in Thailand, Laos, Cambodia, Vietnam, the Philippines and South Korea. It is owned by multinational conglomerate, B.Grimm Group, which has been in existence for over a century.

#### **What is the company's environmental impact?**

Co-generation power plants, which lower energy costs and carbon footprint, comprise about two-thirds of B.Grimm Power's portfolio. Such facilities recycle heat when electricity is generated and are installed near the point of consumption to reduce energy loss during distribution to end-users. The other one third of its power generating assets focus on renewable energy, such as hydroelectricity, solar energy and wind. The power producer does not use coal-fired energy, which is a major source of air pollution and greenhouse gas emissions. The environmental importance of B.Grimm's work was evidenced by Asian Development Bank financing of the company's certified climate bond for a mega-sized solar farm in Vietnam. Separately, this is the first major Thai power utility to officially announce a target for Net Zero Carbon Emission by 2050.

#### **What are its investment merits and competitive advantage?**

B.Grimm Power grew its net operating profits by 21% last year despite the adverse impact of COVID-19. The healthy earnings profile is driven by an under-penetrated industrial market and overseas expansion. Being more reliable and cost-effective than the national grid, the company sees untapped potential in converting factories to its power supply service. It also operates some of the largest solar projects in Vietnam, which is the fastest-growing Southeast Asian market for renewable energy investments. We believe B.Grimm Power's reputation and track record will help it to maintain a good project pipeline for expansion in the region.

### **CP ALL**

#### **What does the company do?**

CP ALL is a retail chain business and the sole operator of 7-Eleven convenience stores in Thailand. With around 11,640 stores nationwide, it is the dominant convenience store operator in the country. It has also diversified its business through its various subsidiaries, offering services such bill payment collections, information technology and logistics and maintenance for retail equipment. In 2013, CP ALL acquired Siam Makro, which operates membership-based Cash-and-Carry trade centres, while in 2020 it bought hypermarket chain Tesco Lotus, with its network of over 2,000 stores across Thailand.

#### **How does the company rate in ESG terms and what is our interaction?**

CP ALL has clear and well defined guidelines that support its environmental, social and governance goals. The company's key goals in terms of environmental sustainability are with regard to supply chain management and materials resourcing. It is aware of the impacts on the environment of its business operations throughout the value chain, and is committed to reducing the negative impacts arising from business operations, as well as from its products and services. For example, the company began rethinking its beverages packing (coffee cups and lids), it replaced plastic straws with paper ones and installed bins for waste separation at all stores. Since January 2020, it ceased providing plastic bags at its 7-Eleven stores nationwide. This also resulted in a cost saving of 800 million baht.

In terms of corporate governance, we engaged with CP ALL to better understand the improvements made to its internal controls since an insider trading incident seven years ago. We were pleased with the progress, most notably the establishment of a corporate governance committee, which is also responsible for sustainability issues. Separately, we also used the opportunity to encourage better disclosure for issues, such as product safety and quality, carbon emissions, and raw material sourcing. There have also been encouraging discussions on increasing both board independence and diversity of skillsets, which were well received. We are encouraged by CP ALL's response and will continue our dialogue on these issues.

CP ALL was rated "excellent" according to the Corporate Governance Report of Thai-listed companies published in 2020 by the Thai Institute of Directors' Association.

#### **What are the company's investment merits and competitive advantage?**

CP ALL is a defensive consumer holding with improving sales and resilient margins. Like other consumer holdings it was hurt by the pandemic, with lower footfall and tighter margins pressuring sales growth. We expect that improving consumption trends will fuel CP ALL's earnings growth momentum.

### **DIRECTORS' REPORT**

The Directors present their Report and the audited financial statements of the Company for the year ended 28 February 2021, taking account of any events between the year end and the date of approval of this Report.

## **Results and Dividend**

The financial statements for the year ended 28 February 2021 indicate a total return attributable to shareholders of £543,000 (2020 – loss of £16,937,000).

The Directors declared an interim dividend per share of 8.0p (2020 – 8.0p), payable on 26 November 2020 to shareholders on the register as at 30 October 2020 with an ex-dividend date of 29 October 2020.

The Directors are declaring a second interim dividend per share of 11.0p (2020 – second interim dividend of 11.0p per share) to be paid on 25 June 2021 to shareholders on the register on 28 May 2021. The ex-dividend date is 27 May 2021.

## **Investment Trust Status**

The Company is registered as a public limited company in England & Wales under registration number 02448580 and has been accepted by HM Revenue & Customs as an investment trust for accounting periods beginning on or after 1 March 2012, subject to the Company continuing to meet the eligibility conditions of s1158 of the Corporation Tax Act 2010 (as amended) and S.I. 2011/2099. In the opinion of the Directors, the Company's affairs have been conducted in a manner to satisfy these conditions and enable it to continue to qualify as an investment trust for the year ended 28 February 2021.

## **Individual Savings Account**

The Company intends to manage its affairs so that its shares will be qualifying investments for the stocks and shares component of an Individual Savings Account.

## **Capital Structure, Buybacks and Voting Rights**

During the year ended 28 February 2021 the Company bought back and cancelled 367,127 Ordinary shares (2020 – 92,338 Ordinary shares). As at 28 February 2021, the Company's issued share capital consisted of 16,123,436 Ordinary shares (2020 – 16,490,563 Ordinary shares) with each share holding one voting right in the event of a poll. An additional 127,930 Ordinary shares were bought back for cancellation between 1 March 2021 and the date of approval of this Annual Report resulting in 15,995,506 Ordinary shares in issue, with voting rights.

Ordinary shareholders are entitled to vote on all resolutions which are proposed at general meetings of the Company. The Ordinary shares carry a right to receive dividends. On a winding up, after meeting the liabilities of the Company, the surplus assets will be paid to Ordinary shareholders in proportion to their shareholdings. There are no restrictions on the transfer of Ordinary shares in the Company other than certain restrictions which may from time to time be imposed by law and regulation.

## **Manager and Company Secretary**

The Company has appointed Aberdeen Standard Fund Managers Limited ("ASFML"), part of the Standard Life Aberdeen Group, as its alternative investment fund manager. ASFML has been appointed to provide the Company with investment management, risk management, administration, company secretarial services and promotional activities. The Company's portfolio is managed by Aberdeen Standard Investments (Asia) Limited ("ASIAL"), by way of a group delegation agreement in place between ASFML and ASIAL. In addition, ASFML has sub-delegated promotional activities to Aberdeen Asset Managers Limited ("AAM") and administrative and secretarial services to Aberdeen Asset Management PLC (the "Company Secretaries").

Until 28 February 2020, the management fee was charged to the Company on the following basis: a monthly fee, payable in arrears, calculated at an annual rate of 0.9% of NAV, with a rebate to the Company for any fees received in respect of any investments by the Company in investment vehicles managed by the Standard Life Aberdeen Group.

From 1 March 2020, the management fee is charged to the Company on the following basis: a monthly fee, payable in arrears, calculated at an annual rate of 0.9% of the Company's market capitalisation, with a rebate to the Company for any fees received in respect of any investments by the Company in investment vehicles managed by the Standard Life Aberdeen Group (see Note 4 to the financial statements). In addition, there is an annual cap which limits the management fee to the equivalent of 1.15% of NAV, calculated monthly.

The fees payable to ASFML during the year ended 28 February 2021 are disclosed in Notes 4 and 5 to the financial statements. The investment management fees and bank loan interest costs were charged 25% to revenue and 75% to capital during the year ended 28 February 2021 (2020: 25%/75%).

The management agreement is terminable by either party on not less than 12 months' notice. In the event of termination on less than the agreed notice period, compensation is payable in lieu of the unexpired notice period. There are no performance fee arrangements.

The terms and conditions of the Manager's appointment, including an evaluation of performance and fees, are reviewed by the Board on an annual basis. The Board also undertakes a review of the management fees in comparison with other funds and believes that the Company's current level of management fees remains competitive. Accordingly, the Board believes that the continuing appointment of the Investment Manager (through the Manager) on the terms agreed is in the interests of shareholders as a whole.

### 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, as required by the Listing Rules of the UK Listing Authority, this statement describes how the Company applies the principles identified in the UK Corporate Governance Code published in July 2018 (the "UK Code") for the year ended 28 February 2021. The UK Code is available on the Financial Reporting Council's ("the FRC") website: [frc.org.uk](http://frc.org.uk).

### Governance

The Board has also considered the principles and recommendations of the AIC Code of Corporate Governance as published in February 2019 ("the AIC Code"). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the UK Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to investment trusts. The AIC Code and AIC Guide are available from [theaic.co.uk](http://theaic.co.uk), the AIC's website. The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders.

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

The UK Code includes provisions relating to:

- the role of the chief executive (provision 9);
- the need for an internal audit function (provision 25); and
- executive directors' remuneration and establishment of a remuneration committee (provision 33 and provisions 35 to 40).

For the reasons set out in the AIC Code and UK Code, 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 Statement of Corporate Governance can be found on its website: [newthai-trust.co.uk](http://newthai-trust.co.uk).

### Directors

The Board consists of a non-executive Chairman and three non-executive Directors. The Senior Independent Director is Andy Pomfret.

The Directors attended scheduled Board and Committee meetings during the year ended 28 February 2021 as follows (with their eligibility to attend the relevant meeting in brackets):

Director	Board Meetings	Audit and Management Engagement Committee Meetings	Nomination Committee Meetings
Nicholas Smith	4 (4)	3 (3)	2 (2)
Andy Pomfret	4 (4)	3 (3)	2 (2)
Sarah MacAulay	4 (4)	3 (3)	2 (2)
Anne Gilding	4 (4)	3 (3)	2 (2)

There were an additional three meetings of a Committee of the Board during the year. One of the Board meetings held during the year included a focus on strategic matters including review of the relevance to investors of the Company's investment objective and policy, consideration of feedback from retail and institutional shareholders,

an assessment of the future prospects for the Company and a review of the Company's longer term performance and the associated terms of the management agreement with ASFML.

The names and biographies of each of the Directors are shown in the published Annual Report and indicate their range of experience as well as length of service. Each Director has the requisite high level and range of business and financial experience which enables the Board as a whole to provide clear and effective leadership and proper stewardship of the Company.

The Directors have agreed a tenure policy that the Chairman of the Board should not serve as a Director beyond the Annual General Meeting following the ninth anniversary of their appointment to the Board. However, this period may be extended in exceptional circumstances, or to facilitate effective succession planning and the development of a diverse Board. The Company announced previously that, in accordance with the implementation of this policy, the Board had expected the current Chairman, Nicholas Smith, to retire from the Board at the AGM due in June 2022, following the ninth anniversary of his appointment as a Director in March 2022. However, the other Directors, led by Andy Pomfret as Senior Independent Director, have determined that it is in the best interests of shareholders that Nicholas Smith defer his retirement pending the conclusion of the three year performance measurement period which is due to end on 28 February 2023, which was announced in the Annual Report for the year ended 28 February 2020 (see the Chairman's Statement).

All of the Directors will retire at the AGM in 2021 in accordance with the AIC Code. Nicholas Smith, Andy Pomfret, Sarah MacAulay and Anne Gilding, all being eligible, offer themselves for individual re-election as Directors of the Company. The Board as a whole believes that each Director standing for re-election remains independent of the Manager and free of any relationship which could materially interfere with the exercise of his or her independent judgement on issues of strategy, performance, resources and standards of conduct and confirms that, following formal performance evaluations, each Director's individual performance continues to be effective and demonstrates commitment to the role. In support of their re-election as Directors at the AGM each Board member's individual contribution is set out in the published Annual Report. The Board therefore has no hesitation in recommending the re-election as Directors of Nicholas Smith, Andy Pomfret, Sarah MacAulay and Anne Gilding at the 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 of, 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 acts upon the results of the Board evaluation process by recognising strengths and addressing any weaknesses and also ensures that the Board engages with major shareholders and 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. 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.

#### **Directors' Insurances and Indemnities**

The Company maintains insurance in respect of Directors' and Officers' liabilities in relation to their acts on behalf of the Company. Furthermore, each Director of the Company is entitled to be indemnified out of the assets of the Company to the extent permitted by law against all costs, charges, losses, expenses and liabilities incurred by them in the actual or purported execution and/or discharge of their duties and/or the exercise or purported exercise of their powers and/or otherwise in relation to or in connection with their duties, powers or office. These rights are included in the Articles of Association of the Company and the Company has granted indemnities to each Director on this basis.

#### **Management of Conflicts of Interest and Anti-Bribery Policy**

The Board has a procedure in place to deal with a situation where a Director has a conflict of interest. As part of this process, the Directors prepare a list of other positions held and all other conflict situations that may need to be authorised either in relation to the Director concerned or his/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/her wider duties is affected. Each Director is required to notify the Company Secretaries of any potential, or actual, conflict situations which 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 taking up office. There were no contracts with the Company during, or at the end of the year, in which any Director was interested.

The Board takes a zero-tolerance approach to bribery and has adopted appropriate procedures designed to prevent bribery. The Standard Life Aberdeen Group also takes a zero-tolerance approach and has its own detailed policy and procedures in place to prevent bribery and corruption.

In relation to the corporate offence of failing to prevent tax evasion, it is the Company's policy to conduct all business in an honest and ethical manner. The Company takes a zero-tolerance approach to facilitation of tax evasion whether under UK law or under the law of any foreign country and is committed to acting professionally, fairly and with integrity in all its business dealings and relationships.

### **Board Committees**

The Directors have appointed a number of Committees as set out below. Copies of their terms of reference, which define the responsibilities and duties of each Committee, are available on the Company's website and from the Company Secretaries, on request.

### **Audit and Management Engagement Committee**

The Audit and Management Engagement Committee's Report may be found in the published Annual Report.

### **Nomination Committee**

All appointments to the Board of Directors are considered by the Nomination Committee which comprises the whole Board and was chaired during the year by Nicholas Smith.

The Committee's overriding priority in appointing new Directors to the Board is to identify the candidate with the optimal range of skills and experience to complement the existing Directors. The Board also recognises the benefits, and is supportive, of the principle of diversity in its recruitment of new Directors.

As the Company has no employees and the Board is comprised wholly of non-executive Directors and, given the size and nature of the Company, the Board has not established a separate Remuneration Committee. Directors' remuneration is determined by the Nomination Committee.

### **Accountability and Audit**

The responsibilities of the Directors and the Auditor, in connection with the financial statements, appear in the published Annual Report.

The Directors who held office at the date of this Report each confirm that, so far as he or she is aware, there is no relevant audit information of which the Company's Auditor is unaware, and that he or she has taken all the steps that he or she could reasonably be expected to have taken as a Director in order to make him or her aware of any relevant audit information and to establish that the Company's Auditor is aware of that information. Additionally there have been no important events since the year end which warrant disclosure. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

The Directors have reviewed the level of non-audit services provided by the Auditor during the year, together with the Auditor's procedures in connection with the provision of such services, and remain satisfied that the Auditor's objectivity and independence is being safeguarded.

### **Substantial Interests**

As at 28 February 2021 the following were registered, or had notified the Company, as being interested in 3% or more of the voting rights for the Company's Ordinary share capital:

<b>Shareholder</b>	<b>Number of shares held</b>	<b>% held</b>
City of London Investment Management	4,535,652	28.1
Funds managed by Standard Life Aberdeen plc	2,329,834	14.4
Lazard Asset Management	3,241,585	13.8
Aberdeen Investment Trust ISA and Share Plans (non-discretionary)	1,738,213	10.8
Ohio PERS	1,015,846	6.8
Interactive Investor (non-discretionary)	640,582	4.0
Hargreaves Lansdown (non-discretionary)	622,831	3.9

The above share interests were unchanged as at the date of approval of this Report other than in relation to the following notifications, with the date of notification to the Company shown in brackets:

Shareholder	Number of shares held	% held
Funds managed by Standard Life Aberdeen plc (25 March 2021)	2,068,904	12.9
City of London Investment Management (1 April 2021)	4,638,902	29.0
Lazard Asset Management (2 April 2021)	2,264,559	14.1

### Going Concern

The Directors have undertaken a rigorous review and consider both that there are no material uncertainties and that the adoption of the going concern basis of accounting is appropriate. The Company's investments consist entirely of equity shares in companies listed on the Stock Exchange of Thailand which are, in most circumstances, realisable within a short timescale.

The Board has set limits for borrowing and regularly reviews the level of any gearing, cash flow projections and compliance with banking covenants.

In October 2018, the Company entered into a £15m three-year multi-currency revolving loan facility ("the Facility") with Industrial and Commercial Bank of China Limited, London Branch of which £10m was drawn down under the Facility at 28 February 2021.

In advance of expiry of the Facility in October 2021, the Company will enter into negotiations with its bankers. If acceptable terms are available from the existing bankers, or any alternative, the Company would expect to continue to access the Facility. However, should these terms not be forthcoming, any outstanding borrowing will be repaid through the proceeds of equity sales.

The Directors are mindful of the principal risks and uncertainties and emerging risks disclosed in the Overview of Strategy and in note 16 to the financial statements. Having given careful consideration to market developments since the end of the financial year, including the continued impact of COVID-19, the Directors believe that the Company has adequate financial resources to continue in operational existence for at least twelve months from the date of this Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

### Continuance of the Company

The Company does not have a fixed life. However, under Article 156 of the Articles of Association, if, in the 12 weeks preceding the Company's financial year-end (28 February), the Ordinary shares have been trading, on average, at a discount in excess of 15% to the underlying NAV per share (including income) over the same period, notice will be given of a special resolution to be proposed to wind up the Company. In the 12 weeks ended 28 February 2021, the Ordinary shares traded at an average discount of 12.5% to the underlying NAV per share (including income), therefore no such resolution will be put to the Company's shareholders at the forthcoming AGM.

### Independent Auditor

As explained in the Audit and Management Engagement Committee's Report, the Directors will propose resolutions at the AGM to re-appoint Deloitte LLP as auditor for the year to 28 February 2022 and to authorise the Directors to determine Deloitte LLP's remuneration.

### Disclosures in Strategic Report

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2016 to include, in the Strategic Report likely future developments in the Company's business as well as information relating to the Company's greenhouse gas emissions, and in note 16 to the financial statements, information concerning the Company's use of financial instruments.

### The UK Stewardship Code and Proxy Voting

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

stewardship and sustainability programme of the Standard Life Aberdeen Group, which can be found at - [standardlifeaberdeen.com/corporate-stewardship-and-sustainability](http://standardlifeaberdeen.com/corporate-stewardship-and-sustainability).

### **Relations with Shareholders**

The Directors place great importance on communication with shareholders. The Annual Report is widely distributed to other parties who have an interest in the Company's performance. Shareholders and investors may obtain up-to-date information on the Company through its website, [newthai-trust.co.uk](http://newthai-trust.co.uk), or via the Manager's Customer Services Department. The Company responds to shareholder correspondence.

The Board's policy is to communicate directly with shareholders and their representative bodies without the involvement of Aberdeen Standard Investments in situations where direct communication is required and representatives from the Board offer to meet with major shareholders on an annual basis in order to gauge their views. In addition, members of the Board accompany the Manager when undertaking a series of meetings with institutional shareholders.

The Company Secretary only acts on behalf of the Board, not the Manager, and there is no filtering of communication. At each Board meeting the Board receives full details of any communication from shareholders to which the Chairman responds, as appropriate, on behalf of the Board.

The Notice of AGM included within the Annual Report is normally sent out at least 20 working days in advance of the meeting. All shareholders have the opportunity to put questions to the Board and Investment Manager at the Company's AGM.

### **Special Business at the AGM**

The AGM will be held on 17 June 2021 and the AGM Notice and related notes may be found in the published Annual Report. Resolutions relating to the following items of special business will be proposed at the AGM:–

#### **Authority to Allot Relevant Securities**

Ordinary Resolution 10 in the Notice of AGM will renew the authority to allot the unissued share capital up to 10% of the Company's issued share capital as at the date of the passing of the resolution (equivalent to approximately 1.6m Ordinary shares). Such authority will expire on the date of the AGM in 2022 or on 31 August 2022, whichever is earlier. This means that the authority will have to be renewed at the AGM in 2022.

#### **Limited Disapplication of Pre-emption Provisions**

Resolution 11, which is a Special Resolution, will, if passed, renew the Directors' existing authority to make limited allotments of shares for cash other than according to the statutory pre-emption rights which require all shares issued for cash to be offered first to all existing shareholders provided such allotments are made at a price per Ordinary share above the prevailing NAV per Ordinary share. This authority includes shares that the Company sells or transfers out of Treasury which have been previously bought back into Treasury (if any) pursuant to the authority conferred by Resolution 12 below. The Board will only consider buying in Ordinary shares for cancellation, or for holding in Treasury, at a price which represents a discount to their prevailing NAV. In line with the authority sought under Resolution 10, Resolution 11 will, if passed, give the Directors power to allot, for cash, securities up to 10% of the total issued share capital at the date of the passing of the resolution (equivalent to approximately 1.6m Ordinary shares) other than according to the statutory pre-emption rights.

Such authority, which will expire on the date of the earlier of the AGM in 2022 or 31 August 2022, will give the Board flexibility to take advantage of any opportunities to issue new Ordinary shares within a shorter period than would otherwise be the case.

#### **Directors' Authority to Purchase the Company's Ordinary Shares**

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 contained in the Companies Act and the Listing Rules of the UK Listing Authority.

Accordingly, the Company is seeking authority, under Resolution 12, to purchase up to a maximum of approximately 2.4m Ordinary shares, or if less, that number of Ordinary shares equivalent to 14.99% of the issued Ordinary share capital at the date of the passing of the Resolution at a minimum price of not less than 25p per Ordinary share (being the nominal value) and a maximum price of not more than the higher of (i) an amount equal to 5% above the average of the middle market quotation for an Ordinary share taken from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary share is purchased; and (ii) the higher of the price of the last independent trade and the current highest independent bid on the stock market where the purchase is carried out.

If passed, Resolution 12 will permit the Company to purchase Ordinary shares under the guidelines described above. Any Ordinary shares purchased in this way will either be cancelled, and the number of Ordinary shares in issue reduced accordingly or, under the power granted by Resolution 12, may be held in Treasury. The authority sought under Resolution 12 will expire on the earlier of date of the AGM in 2022 and 31 August 2022, whichever is earlier, unless renewed prior to such time.

### **Recommendation**

The Board considers that all Resolutions to be put to shareholders at the AGM are in the best interests of the Company and its members as a whole. The Board believes that the passing of each Resolution is likely to promote the success of the Company for the benefit of all its members. Accordingly, the Board unanimously recommends that shareholders should vote in favour of the resolutions to be proposed at the AGM, as they intend to do in respect of their own shareholdings, amounting to 18,000 Ordinary shares.

On behalf of the Board

**Nicholas Smith,**  
**Chairman**  
28 April 2021

### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Annual Report and the 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 the Directors have elected to prepare the financial statements in accordance with UK Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- and prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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

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

### **Responsibility Statement of the Directors in respect of the Annual Financial Report**

We confirm to the best of our knowledge, that:

- the financial statements have been prepared in accordance with applicable accounting standards and 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 include a fair review of the development and performance of the business and the position of the Company together with a description of the principal risks and uncertainties that the Company faces.

We consider that the Annual Report and financial statements, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

**Nicholas Smith,  
Chairman**

28 April 2021

## STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 28 February 2021			Year ended 28 February 2020		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	10	-	(1,188)	(1,188)	-	(19,262)	(19,262)
Income	3	3,264	-	3,264	4,355	-	4,355
Management fee	4	(156)	(467)	(623)	(245)	(735)	(980)
Administrative expenses	5	(394)	-	(394)	(407)	-	(407)
Currency losses		-	(97)	(97)	-	(108)	(108)
<b>Net return/(loss) before finance costs and taxation</b>		<b>2,714</b>	<b>(1,752)</b>	<b>962</b>	<b>3,703</b>	<b>(20,105)</b>	<b>(16,402)</b>
Finance costs	6	(29)	(87)	(116)	(33)	(101)	(134)
<b>Return/(loss) before taxation</b>		<b>2,685</b>	<b>(1,839)</b>	<b>846</b>	<b>3,670</b>	<b>(20,206)</b>	<b>(16,536)</b>
Taxation	7	(303)	-	(303)	(400)	(1)	(401)
<b>Return/(loss) after taxation</b>		<b>2,382</b>	<b>(1,839)</b>	<b>543</b>	<b>3,270</b>	<b>(20,207)</b>	<b>(16,937)</b>
<b>Return/(loss) per Ordinary share (pence)</b>	9	<b>14.56</b>	<b>(11.24)</b>	<b>3.32</b>	<b>19.77</b>	<b>(122.16)</b>	<b>(102.39)</b>

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

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

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

## STATEMENT OF FINANCIAL POSITION

	Notes	As at 28 February 2021 £'000	As at 28 February 2020 £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss	10	90,496	95,057
<b>Current assets</b>			
Debtors and prepayments	11	664	314
Money market funds	18	506	511
Cash at bank and in hand		189	149
		1,359	974
<b>Creditors: amounts falling due within one year</b>			
Bank loans	12	(10,000)	(10,000)
Other creditors	12	(243)	(244)
		(10,243)	(10,244)
<b>Net current liabilities</b>		<b>(8,884)</b>	<b>(9,270)</b>
<b>Net assets</b>		<b>81,612</b>	<b>85,787</b>
<b>Share capital and reserves</b>			
Called-up share capital	13	4,031	4,123
Share premium account		19,391	19,391
Capital redemption reserve		1,504	1,412
Capital reserve		53,094	56,533
Revenue reserve		3,592	4,328
<b>Equity shareholders' funds</b>		<b>81,612</b>	<b>85,787</b>
<b>Net asset value per Ordinary share (pence)</b>	14	<b>506.17</b>	<b>520.22</b>

The financial statements were approved and authorised for issue by the Board of Directors on 28 April 2021 and were signed on its behalf by:

**Nicholas Smith**  
**Chairman**

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

## STATEMENT OF CHANGES IN EQUITY

### Year ended 28 February 2021

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 28 February 2020	4,123	19,391	1,412	56,533	4,328	85,787
Purchase of own shares for cancellation	(92)	-	92	(1,600)	-	(1,600)
(Loss)/return after taxation	-	-	-	(1,839)	2,382	543
Dividends paid (see note 8)	-	-	-	-	(3,118)	(3,118)
<b>Balance at 28 February 2021</b>	<b>4,031</b>	<b>19,391</b>	<b>1,504</b>	<b>53,094</b>	<b>3,592</b>	<b>81,612</b>

### Year ended 28 February 2020

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 28 February 2019	4,146	19,391	1,389	77,245	4,200	106,371
Purchase of own shares for cancellation	(23)	-	23	(505)	-	(505)
(Loss)/return after taxation	-	-	-	(20,207)	3,270	(16,937)
Dividends paid (see note 8)	-	-	-	-	(3,142)	(3,142)
<b>Balance at 28 February 2020</b>	<b>4,123</b>	<b>19,391</b>	<b>1,412</b>	<b>56,533</b>	<b>4,328</b>	<b>85,787</b>

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

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

## STATEMENT OF CASHFLOWS

	Notes	Year ended 28 February 2021 £'000	Year ended 28 February 2020 £'000
<b>Operating activities</b>			
Net return/(loss) before finance costs and taxation		962	(16,402)
Adjustment for:			
Losses on investments		1,188	19,262
Currency losses		97	108
Decrease/(increase) in accrued dividend income		141	(8)
Decrease/(increase) in other debtors excluding tax		1	(17)
Decrease in other creditors		(10)	(36)
Overseas withholding tax		(317)	(400)
Stock dividends		(3)	-
<b>Net cash flow from operating activities</b>		<b>2,059</b>	<b>2,507</b>
<b>Investing activities</b>			
Purchases of investments		(35,470)	(17,072)
Sales of investments		38,368	13,632
<b>Net cash from/(used in) investing activities</b>		<b>2,898</b>	<b>(3,440)</b>
<b>Financing activities</b>			
Interest paid		(132)	(119)
Equity dividends paid	8	(3,118)	(3,142)
Loan drawn down		-	4,350
Buyback of Ordinary shares	13	(1,575)	(505)
<b>Net cash (used in)/from financing activities</b>		<b>(4,825)</b>	<b>584</b>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>132</b>	<b>(349)</b>
<b>Analysis of changes in cash during the period</b>			
Opening balance		660	1,117
Effect of exchange rate fluctuations on cash held		(97)	(108)
Increase/(decrease) in cash and cash equivalents as above		132	(349)
<b>Closing balance</b>		<b>695</b>	<b>660</b>

The accompanying notes are an integral part of the financial statements. A reconciliation of net debt can be found in note 15.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2021

1. **Principal activity.** The Company is a closed-end investment company, registered in England & Wales No 02448580, with its Ordinary shares being listed on the London Stock Exchange.

### 2. Accounting policies

(a) **Basis of accounting.** The financial statements have been prepared in accordance with Financial Reporting Standard 102 and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' (the "SORP") issued in October 2019. The financial statements are prepared in Sterling which is the functional currency of the Company and rounded to the nearest £'000. They have also been prepared on a going concern basis and on the assumption that approval as an investment trust will continue to be granted.

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 Board has also performed stress testing and liquidity analysis. The Company has a £15 million multi-currency revolving loan facility which expires in October 2021 and the Board has considered the ability of the Company to refinance it. Having taken these factors into account as well as the impact of COVID-19 and having assessed the principal risks and other matters set out in the Viability Statement (unaudited), the Directors believe that, after making enquiries, the Company has adequate resources to continue in operational existence for the foreseeable future and has the ability to meet its financial obligations as they fall due for a period of at least twelve months from the date of approval of this Report. Accordingly, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty. The preparation of financial statements requires the use of certain significant accounting judgements, estimates and assumptions which requires management to exercise its judgement in the process of applying the accounting policies and are continually evaluated. The Board considers that there are no accounting judgements, estimates and assumptions which would significantly impact the financial statements.

(b) **Investments.** Investments have been designated upon initial recognition at fair value through profit or loss. Investments are recognised and de-recognised on the trade date at cost. Subsequent to initial recognition, investments are valued at fair value which for listed investments is deemed to be the bid market price. Gains and losses arising from changes in fair value are included as a capital item in the Statement of Comprehensive Income and are ultimately recognised in the capital reserve.

(c) **Income.** Dividends (other than special dividends), including taxes deducted at source, are included in revenue by reference to the date on which the investment is quoted ex-dividend. Special dividends are reviewed on a case-by-case basis and may be credited to capital, if circumstances dictate. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time apportioned basis so as to reflect the effective yield on these shares. Other returns on non-equity shares are recognised when the right to return is established. The fixed return on a debt security, if material, is recognised on a time apportioned basis so as to reflect the effective yield on each security. Where the Company has elected to receive its dividends in the form of additional shares rather than cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves. Interest receivable on bank balances is accounted for on an accruals basis.

(d) **Expenses.** Expenses and interest payable are accounted for on an accruals basis. Expenses are charged through the revenue column of the Statement of Comprehensive Income except as follows:

- expenses directly relating to the acquisition or disposal of an investment, in which case, they are added to the cost of the investment or deducted from the sale proceeds. Such transaction costs are disclosed in accordance with the SORP. These expenses are charged to the capital column of the Statement of Comprehensive Income and are separately identified and disclosed in note 10; and

- the Company charges 75% of investment management fees and finance costs to the capital column of the Statement of Comprehensive Income, 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.

- (e) **Taxation.** The tax payable is based on the taxable profit for the year. Taxable profit differs from net profit as reported in the Statement of Comprehensive Income because it excludes items of income or expenditure that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (see note 7 for a more detailed explanation). The Company has no liability for current tax.

Deferred taxation is provided on all timing differences that have originated, but not reversed, at the Statement of Financial Position date, where transactions or events that result in an obligation to pay more or a right to pay less tax in future have occurred at the Statement of Financial Position date, measured on an undiscounted basis and based on enacted tax rates. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the accounts which are capable of reversal in one or more subsequent periods. Due to the Company's status as an investment trust company, and the intention to continue to meet the conditions required to obtain approval for the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

- (f) **Nature and purpose of reserves**

**Share premium account.** The balance classified as share premium includes the premium above nominal value from the proceeds on issue of any equity share capital comprising Ordinary shares of 25p.

**Capital redemption reserve.** The capital redemption reserve is used to record the amount equivalent to the nominal value of any of the Company's own shares purchased and cancelled in order to maintain the Company's capital.

**Capital reserve.** Gains and losses on realisation of investments and changes in fair values of investments which are readily convertible to cash, without accepting adverse terms, are transferred to 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 represents the amount of the Company's reserves distributable by way of dividend.

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

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

- (h) **Dividends payable.** Dividends are recognised in the financial statements in the period in which they are paid.

### 3. Income

	2021	2020
	£'000	£'000
<b>Income from investments</b>		
Overseas dividends	3,258	4,339
Stock dividends	3	-
	<b>3,261</b>	<b>4,339</b>

<b>Other income</b>		
Deposit interest	-	3
Interest from money market funds	3	13
	3	16
<b>Total income</b>	<b>3,264</b>	<b>4,355</b>

#### 4. Management fee

	2021			2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	156	467	623	245	735	980

For the year ended 28 February 2021 management and secretarial services were provided by Aberdeen Standard Fund Managers Limited ("ASFML").

Until 28 February 2020 the management fee was payable monthly in arrears based on an annual amount of 0.9% of the net asset value of the Company, excluding commonly managed funds held in the portfolio (2020 - none), valued monthly. With effect from 1 March 2020 the management fee has been payable monthly in arrears based on an annual amount of 0.9% of the market capitalisation of the Company valued monthly. This is also subject to an annual cap which limits the management fee to the equivalent of 1.15% of NAV, calculated monthly. The rebate provisions remain in place. The management agreement is terminable on one year's notice. The total of the fees paid and payable during the year to 28 February 2021 was £623,000 (2020 - £980,000) and the balance due to ASFML at the year end was £106,000 (2020 - £136,000).

#### 5. Administrative expenses

	2021 £'000	2020 £'000
Promotional activities	59	59
Directors' fees	108	115
Auditor's fees for:		
- audit of the Company's annual accounts	25	24
- other assurance services	2	2
Custody fees	56	55
Legal & professional fees	32	50
Listing fees	18	17
Directors' and officers' insurance	5	5
Printing and stationery	21	19
Registrar's fees	13	13
Savings scheme expenses	14	3
Other expenses	41	45
	<b>394</b>	<b>407</b>

The management agreement with ASFML also provides for the provision of promotional activities. The total fees paid and payable under the management agreement in relation to promotional activities were £59,000 (2020 - £59,000) with a balance of £10,000 (2020 - £10,000) being due to ASFML at the year end. The Company has an agreement with ASFML for the provision of company secretarial services and administration services; no separate fee is charged to the Company in respect of this agreement.

## 6. Finance costs

	2021			2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
On bank loans	29	87	116	33	101	134

## 7. Taxation

	2021			2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
<b>(a) Analysis of charge for the year</b>						
Overseas withholding tax	303		303	400	1	401
<b>Total tax charge</b>	<b>303</b>	<b>-</b>	<b>303</b>	<b>400</b>	<b>1</b>	<b>401</b>

- (b) Factors affecting tax charge for the year.** The UK corporation tax rate is 19% (2020 - 19%). The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2021			2020		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return before taxation	2,685	(1,839)	846	3,670	(20,206)	(16,536)
Corporation tax at standard rate of 19% (2020 - 19%)	510	(349)	161	697	(3,839)	(3,142)
Losses on investments not taxable	-	226	226	-	3,660	3,660
Currency losses not taxable	-	18	18	-	21	21
Non-taxable overseas income	(619)	-	(619)	(825)	-	(825)
Expenses not deductible for tax purposes	2	-	2	2	-	2
Overseas withholding tax	303	-	303	400	-	400
Loan relationships not utilised	5	16	21	4	19	23
Excess management expenses not utilised	102	89	191	122	140	262
<b>Total tax charge</b>	<b>303</b>	<b>-</b>	<b>303</b>	<b>400</b>	<b>1</b>	<b>401</b>

- (c) Factors that may affect future tax charges.** At the year end, the Company has an unrecognised deferred tax asset of £2,844,000 (2020 - £2,354,000) arising as a result of accumulated unrelieved management expenses and loan relationship deficits of £14,968,000 (2020 - £13,850,000). A deferred tax asset in respect of this has not been recognised and will only be utilised if the Company has profits chargeable to corporation tax in the future.

On 3 March 2021 the UK government announced an intention to increase the UK corporation tax rate to 25% with effect from 1 April 2023. If enacted this will impact the value of UK deferred tax balances, and the tax charged on UK profits generated in 2023 and thereafter. The impact of these proposed changes has yet to be assessed.

## 8. Dividends on equity shares

	2021	2020
	£'000	£'000
Amounts recognised as distributions to equity holders in the year:		
Second interim dividend 2020 - 11.00p (2019 - final dividend - 11.00p)	1,811	1,821
Return of unclaimed dividends	(1)	(1)
First interim dividend 2021 - 8.00p (2020 - 8.00p)	1,308	1,322
	<b>3,118</b>	<b>3,142</b>

The second interim dividend of 11.0p per Ordinary share, payable on 25 June 2021 to shareholders on the register on 28 May 2021 and has not been included as a liability in the financial statements.

The table below sets out the total dividends paid and proposed in respect of the financial year, which is the basis upon which the requirements of Sections 1158-1159 of the Corporation Tax Act 2010 are considered. The net revenue available for distribution by way of dividend for the year is £2,382,000 (2020 - £3,270,000).

	2021	2020
	£'000	£'000
First interim dividend 2021 - 8.00p (2020 - 8.00p)	1,308	1,322
Second interim dividend 2021 - 11.0p (2020 - 11.0p)	1,760	1,811
	<b>3,068</b>	<b>3,133</b>

Subsequent to the year end the Company has purchased for cancellation a further 127,930 Ordinary shares; therefore the amount reflected above for the cost of the second interim dividend for 2021 is based on 15,995,506 Ordinary shares, being the number in issue at the date of approval of this Report.

## 9. Return per Ordinary share

	2021		2020	
	£'000	p	£'000	p
Revenue return	2,382	14.56	3,270	19.77
Capital return	(1,839)	(11.24)	(20,207)	(122.16)
<b>Total return</b>	<b>543</b>	<b>3.32</b>	<b>(16,937)</b>	<b>(102.39)</b>

<b>Weighted average number of Ordinary shares in issue</b>	<b>16,363,800</b>	<b>16,540,884</b>
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## 10. Investments at fair value through profit or loss

	2021	2020
	£'000	£'000
Opening book cost	81,022	71,524
Opening investment holding gains	14,035	37,785
Opening fair value	95,057	109,309

### Analysis of transactions made during the year

Purchases at cost	35,473	16,446
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Sales proceeds received	(38,846)	(11,436)
Losses on investments	(1,188)	(19,262)
<b>Closing fair value</b>	<b>90,496</b>	<b>95,057</b>
<hr/>		
Closing book cost	75,040	81,022
Closing investment gains	15,456	14,035
<b>Closing fair value</b>	<b>90,496</b>	<b>95,057</b>
<hr/>		
<b>Investments listed on a recognised stock exchange</b>	<b>90,496</b>	<b>95,057</b>
<hr/>		

The Company received £38,846,000 (2020 - £11,436,000) from investments sold in the period. The book cost of these investments when they were purchased was £41,455,000 (2020 - £6,947,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Purchases	37	49
Sales	41	15
	<b>78</b>	<b>64</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Prepayments and accrued income	174	300
Amounts due from brokers	478	-
Other debtors	12	14
	<b>664</b>	<b>314</b>

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

- (a) **Bank loan.** In October 2018 the Company entered into a three year £15,000,000 multi-currency revolving credit facility with Industrial and Commercial Bank of China (ICBC). At the year end, £10,000,000 (2020 - £10,000,000) had been drawn down at an all-in rate of 0.85075% (2020 - 1.53225%) which will mature on 10 May 2021 (2020 - 10 March 2020).

The terms of the loan facility with ICBC contain a covenant that the borrowings should not exceed 25% of the adjusted net asset value of the Company, where borrowings are defined as debt and other secured liabilities plus net liabilities under all derivatives determined on a mark to market basis. Adjusted net asset value is defined as total net assets less the aggregate value of all excluded assets, excluded assets being, without double counting, the value of any unquoted investments, all investments issued by a single issuer in excess of 10% of total net assets and the aggregate value of all investments in any single MSCI industry in excess of 30% of total net assets of the Company. The loan facility agreement also contains a covenant that the Net Asset Value will not fall below £40 million. The Company met both these covenants during the year and also during the period from the year end to the date of this Report.

	2021	2020
	£'000	£'000
<b>(b) Other creditors</b>		
Amounts due to brokers	25	-
Sundry creditors	218	244
	<b>243</b>	<b>244</b>

### 13. Called-up share capital

	2021	2020
	£'000	£'000
<b>Allotted, called up and fully paid:</b>		
Opening balance of 16,490,563 (2020 - 16,582,901) Ordinary shares of 25p each	4,123	4,146
Repurchase of 367,127 (2020 - 92,338) Ordinary shares of 25p each for cancellation	(92)	(23)
<b>Closing balance of 16,123,436 (2020 - 16,490,563)</b>	<b>4,031</b>	<b>4,123</b>

During the year ended 28 February 2021, the Company bought back and cancelled 367,127 Ordinary shares of 25p each (2020 - 92,338) for a total consideration of £1,600,000 (2020 - £505,000). This represented 2.3% of the Company's issued Ordinary share capital as at 28 February 2021.

Subsequent to the year end the Company bought back and cancelled a further 127,930 Ordinary shares of 25p each for a total consideration of £573,000.

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

	2021	2020
Net assets attributable (£'000)	81,612	85,787
Number of Ordinary shares in issue	16,123,436	16,490,563
Net asset value per share (p)	506.17	520.22

### 15. Analysis of changes in net debt

	At 28 February 2020 £'000	Currency differences £'000	Cash flows £'000	At 28 February 2021 £'000
Cash and short term deposits	660			
Debt due within one year	(10,000)	(97)	132	695
		-	-	(10,000)
	<b>(9,340)</b>	<b>(97)</b>	<b>132</b>	<b>(9,305)</b>

	At 28 February 2019 £'000	Currency differences £'000	Cash flows £'000	At 28 February 2020 £'000
Cash and short term deposits	1,117	(108)	(349)	660
Debt due within one year	(5,650)	-	(4,350)	(10,000)
	<b>(4,533)</b>	<b>(108)</b>	<b>(4,699)</b>	<b>(9,340)</b>

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.

## 16. Financial instruments

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

The Board has delegated the risk management function to Aberdeen Standard Fund Managers Limited ("ASFML") under the terms of its management agreement with ASFML (further details of which are included under note 4). The Board regularly reviews and agrees policies for managing each of the key financial risks identified with the Manager. The types of risk and the Manager's approach to the management of each type of risk, are summarised below. Such approach has been applied throughout the year and has not changed since the previous accounting period. The numerical disclosures exclude short-term debtors and creditors.

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

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

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

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

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

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

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

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

- the level of income receivable on cash deposits;
- interest payable on the Company's variable rate borrowings.

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

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise variable rate, revolving, and uncommitted facilities. The variable rate facilities are used to finance opportunities at low short-term fixed rates and the revolving and uncommitted facilities provide flexibility in the short-term. Current bank covenant guidelines state that the total borrowings will not exceed 25% of the adjusted net assets of the Company as defined in note 12.

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

<b>At 28 February 2021</b>	<b>Weighted average period for which rate is fixed  Years</b>	<b>Weighted average interest rate  %</b>	<b>Fixed rate  £'000</b>	<b>Floating rate  £'000</b>
<b>Assets</b>				
Sterling	-	-	-	189
				<b>189</b>

**Liabilities**

Bank loans - Sterling	0.24{A}	0.85	(10,000)	-
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{A} Equivalent to three months.

<b>At 28 February 2020</b>	<b>Weighted average period for which rate is fixed  Years</b>	<b>Weighted average interest rate  %</b>	<b>Fixed rate  £'000</b>	<b>Floating rate  £'000</b>
<b>Assets</b>				
Sterling	-	0.49	-	149
				<b>149</b>

**Liabilities**

<b>Bank loans - Sterling</b>	<b>0.16{A}</b>	<b>1.53</b>	<b>(10,000)</b>	<b>-</b>
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{A} Equivalent to two months.

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 maturity date of the Company's loan is shown in note 12.

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

The Company's equity portfolio and short-term debtors and creditors (excluding bank loans) have been excluded from the above tables.

**Interest rate sensitivity.** Movements in interest rates would not have a material direct impact on net assets attributable to the Company's shareholders and total profit due to the relatively low exposure to cash and bank loans.

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

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

The revenue account is subject to currency fluctuation arising on dividends paid in foreign currencies. The Company does not hedge this currency risk.

Risk exposure by currency of denomination:

	28 February 2021			28 February 2020		
	Overseas investments	Net monetary assets	Total currency exposure	Overseas investments	Net monetary assets	Total currency exposure
	£'000	£'000	£'000	£'000	£'000	£'000
Thailand Baht	90,496	478	90,974	95,057	-	95,057
Sterling	-	(9,362)	(9,362)	-	(9,270)	(9,270)
<b>Total</b>	<b>90,496</b>	<b>(8,884)</b>	<b>81,612</b>	<b>95,057</b>	<b>(9,270)</b>	<b>85,787</b>

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

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

**Management of the risk.** It is the Board's policy to hold an appropriate spread of investments in the portfolio in order to reduce the risk arising from factors specific to a sector. Both the allocation of assets and the stock selection process 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 all listed on the Stock Exchange of Thailand ("SET").

**Price risk sensitivity.** If market prices at the Statement of Financial Position date had been 10% higher or lower while all other variables remained constant, the return attributable to Ordinary shareholders for the year ended 28 February 2021 would have increased/(decreased) by £9,050,000 (2020 - increased/(decreased) by £9,506,000) and equity reserves would have increased/(decreased) by the same amount.

Market prices may indirectly be affected by political instability within Thailand from time to time which constitutes political risk.

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

**Management of the risk.** Liquidity risk is not considered to be significant as, whilst liquidity is limited in certain stocks the Company holds, the majority of the Company's assets comprise readily realisable securities which can be sold to meet funding requirements if necessary.

Short-term flexibility is achieved through the use of loan facilities, details of which can be found in note 12. Under the terms of the loan facility, the Manager provides the lender with loan covenant reports on a monthly basis, to provide the lender with assurance that the terms of the facility are not being breached. The Manager will also review the credit rating of a lender on a regular basis.

The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis. Borrowings comprise a revolving multi-currency credit facility. The Board has imposed a maximum gearing level, after netting off cash equivalents, of 25% (2020 - 25%) of net assets. Details of borrowings at 28 February 2021 are shown in note 12.

**Liquidity risk exposure.** At 28 February 2021 the Company's bank loan, amounting to £10,000,000 (2020 - £10,000,000), was due for repayment or roll-over within three months (2020 - one month).

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

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

- 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 picked up. The Manager's Compliance department carries out periodic reviews of the Depository's operations and reports its findings to the Manager's Risk Management Committee. This review will also include checks on the maintenance and security of investments held;

- where cash is held on deposit, the institutions concerned are reviewed regularly.

In summary, compared to the amounts in the Statement of Financial Position, the maximum exposure to credit risk at 28 February was as follows:

	<b>2021</b>		<b>2020</b>	
	<b>Statement of Financial Position</b>	<b>Maximum exposure</b>	<b>Statement of Financial Position</b>	<b>Maximum exposure</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Current assets</b>				
Loans and receivables	664	664	314	314
Money market funds	506	506	511	511
Cash at bank and in hand	189	189	149	149
	<b>1,359</b>	<b>1,359</b>	<b>974</b>	<b>974</b>

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

**Fair values of financial assets and financial liabilities.** The fair value of the short term loan is shown in note 12 to the financial statements. The book value of cash at bank and bank loan included in these financial statements approximate to fair value because of their short-term maturity. The carrying values of fixed asset investments are stated at their fair values, which have been determined with reference to quoted market prices. For all other short-term debtors and creditors, their book values approximate to fair values because of their short-term maturity.

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

Level 1: unadjusted quoted prices in an active market for identical assets or liabilities that the entity can access at the measurement date.

Level 2: inputs other than quoted prices included within Level 1 that are observable (ie developed using market data) for the asset or liability, either directly or indirectly.

Level 3: inputs are unobservable (ie for which market data is unavailable) for the asset or liability.

The financial assets and liabilities measured at fair value in the Statement of Financial Position are grouped into the fair value hierarchy at the reporting date as follows:

	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
<b>As at 28 February 2021</b>				
<b>Financial assets at fair value through profit or loss</b>				
Quoted equities	89,719	777	-	90,496
<b>Net fair value</b>	<b>89,719</b>	<b>777</b>	<b>-</b>	<b>90,496</b>
	Level 1	Level 2	Level 3	Total
	£'000	£'000	£'000	£'000
<b>As at 28 February 2020</b>				
<b>Financial assets at fair value through profit or loss</b>				
Quoted equities	94,309	748	-	95,057
<b>Net fair value</b>	<b>94,309</b>	<b>748</b>	<b>-</b>	<b>95,057</b>

**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. The Company's holding in Goodyear (Thailand) of £777,000 (2020: £748,000) is classified as Level 2 due to the lack of active trading in the stock.

## 18. Related party transactions

**Directors' fees and interests.** Fees payable during the year to the Directors and their interest in shares of the Company are disclosed within the Directors' Remuneration Report in the published Annual Report.

**Transactions with the Manager.** The Company has agreements with ASFML for the provision of investment management, secretarial, accounting and administration and promotional activity services. Details of transactions during the year and balances outstanding at the year end are disclosed in notes 4 and 5. Money market funds held at the year end of £506,000 (2020 - £511,000) were managed by ASFML.

## 19. Capital management policies and procedures.

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

The Board 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 views on the market;
- the level of equity shares in issue;
- the extent to which revenue in excess of that which is required to be distributed should be retained.

The Company does not have any externally imposed capital requirements.

## 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 FRS 102 and the AIC SORP. The Directors assess the Company's performance against a range of criteria which are viewed as particularly relevant for closed-end investment companies.

**Total return.** Total return is considered to be an alternative performance measure. NAV and share price total returns show how the NAV and share price has performed over a period of time in percentage terms, taking into account both capital returns and dividends paid to shareholders. NAV total return involves investing the same net dividend in the NAV of the Company with debt at fair value on the date on which that dividend was earned. Share price total return involves reinvesting the net dividend on the date that the share price 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 28 February 2021 and 28 February 2020 and total return for the year.

	<b>Dividend rate</b>	<b>NAV</b>	<b>Share price</b>
<b>2021</b>			
28 February 2020	N/A	520.22p	434.00p
28 May 2020	11.00p	516.67p	433.00p
29 October 2020	8.00p	444.44p	375.00p
28 February 2021	N/A	506.17p	433.00p
<b>Total return</b>		<b>+1.2%</b>	<b>+4.5%</b>

	<b>Dividend rate</b>	<b>NAV</b>	<b>Share price</b>
<b>2020</b>			
28 February 2019	N/A	641.45p	552.00p
30 May 2019	11.00p	661.60p	562.50p
24 October 2019	8.00p	663.72p	575.00p
28 February 2020	N/A	520.22p	434.00p
<b>Total return</b>		<b>-16.6%</b>	<b>-18.7%</b>

**Discount to net asset value per Ordinary share.** The discount is the amount by which the share price of 433.00p (2020 - 434.00p) is lower than the net asset value per share of 506.17p (2020 - 520.22p), expressed as a percentage of the net asset value.

**Dividend cover.** Revenue return per share of 14.56p (2020 - 19.77p) divided by total dividends per share of 19.0p (2020 - 19.0p) expressed as a ratio.

**Net gearing.** Net gearing measures the total borrowings of £10,000,000 (2020 - £10,000,000) less cash and cash equivalents of £1,148,000 (2020 - £660,000) divided by shareholders' funds of £81,612,000 (2020 - £85,787,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to or from brokers at the year end of £453,000 due from brokers (2020 - £nil) as well as cash and cash equivalents of £695,000 (2020 - £660,000).

**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.

	<b>2021</b>	<b>2020</b>
Investment management fees (£'000)	623	980
Administrative expenses (£'000)	394	407
Less: non-recurring charges (£'000)	(2)	(24)
<b>Ongoing charges (£'000)</b>	<b>1,015</b>	<b>1,363</b>

<b>Average net assets{A} (£'000)</b>	<b>81,370</b>	<b>110,133</b>
<b>Ongoing charges ratio (excluding look-through costs)</b>	<b>1.25%</b>	<b>1.24%</b>
<b>Look-through costs{A}</b>	<b>0.02%</b>	<b>0.06%</b>
<b>Ongoing charges ratio (including look-through costs)</b>	<b>1.27%</b>	<b>1.30%</b>

{A} Costs associated with holdings in collective investment schemes as defined by the Committee of European Securities Regulators' guidelines on the methodology for the calculation of the ongoing charges figure, issued on 1 July 2010.

During both years net asset values with debt at fair value equated to net asset value with debt at amortised cost due to the short-term nature of the bank loans.

The ongoing charges ratio provided in the Company's Key Information Document is calculated in line with the PRIIPs regulations.

The Annual Financial Report announcement is not the Company's statutory accounts. The above results for the year ended 28 February 2021 are an abridged version of the Company's full statutory accounts which will be filed with the Registrar of Companies in due course.

The statutory accounts for the years ended 28 February 2020 and 28 February 2021 received unqualified reports from the Company's independent auditor and did not include any reference to matters to which the independent auditor drew attention by way of emphasis without qualifying the reports, and did not contain a statement under s.498 of the Companies Act 2006. The financial information for the year ended 28 February 2020 is derived from the statutory accounts which have been filed with the Registrar of Companies.

The Annual Report, enclosing the Notice of Annual General Meeting, will be posted to shareholders in May 2021 and will also be available from the Company's website: [newthai-trust.co.uk](http://newthai-trust.co.uk). The Company's AGM will be held at 9.30am on 17 June 2021 at Bow Bells House, 1 Bread Street, London EC4M 9HH. Shareholders' attention is drawn to the section in the Chairman's Statement regarding the limitation on attendance at the AGM.

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.

**END**