

ABERDEEN NEW THAI INVESTMENT TRUST PLC

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 28 FEBRUARY 2020

STRATEGIC REPORT

FINANCIAL HIGHLIGHTS

Ordinary share price total return{A}		Net asset value per Ordinary share total return{A}		Stock Exchange of Thailand Index total return	
2020	-18.7%	2020	-16.6%	2020	-12.8%
2019	-3.7%	2019	-5.1%	2019	-3.9%
Earnings per Ordinary share (revenue)		Total dividend per Ordinary share			
2020	19.77p	2020	19.00p		
2019	18.50p	2019	18.00p		

{A} Alternative Performance Measure.

FINANCIAL CALENDAR

Payment dates of dividends	22 November 2019 26 June 2020
Financial year end	28 February 2020
Annual General Meeting	23 June 2020
Expected announcement of results for year ended 28 February 2021	May 2021

CHAIRMAN'S STATEMENT

Introduction

As I report on the financial year for Aberdeen New Thai Investment Trust PLC (the "Company"), this period seems a long time ago. The world is now very different and the outlook uncertain. At the end of April 2020, many countries are either still in a state of lockdown or starting to gradually ease restrictions, as is the case in Thailand. The Manager, the Board and our other suppliers continue to work effectively in new, and sometimes trying, circumstances. This will result in changes to the plan for the AGM and the dividend approval process which are outlined below.

Thai equities fell in the year ended 28 February 2020, with the Stock Exchange of Thailand ("SET") Index posting a total return of -12.8% in sterling terms. The equity market had been sluggish for most of the year due to the US-China trade dispute and delays in forming a government following the long-awaited general elections in March 2019. The COVID-19 pandemic that began to spread globally towards the end of the period dealt a further blow to the stock market and the economy. Despite a loose monetary policy stance, spurred by the US Federal Reserve that compelled other central banks, including the Bank of Thailand to follow suit, global trade weakness persisted and consumer demand remained subdued.

Against this backdrop, your Company's net asset value ("NAV") per Ordinary share fell by 16.6% on a total-return basis, whereas the Ordinary share price fell by 18.7% reflecting a widening of the discount. The Thai baht

strengthened by 3.5% against sterling, due to ongoing Brexit-related concerns and the favourable balance of payments for Thailand. This helped mitigate some of the portfolio's decline.

The Investment Manager's Report provides greater detail. Case studies on two portfolio companies, Siam Cement and East Water, are included, with a specific focus on how their Environmental, Social and Governance ("ESG") credentials are assessed and incorporated into the investment and monitoring process.

Gearing

During the year, the Company borrowed an additional £4.35 million under its £15 million loan facility with Industrial and Commercial Bank of China Limited, London Branch. This expires in 2021. The Company's drawn down loan amounted to £10.0 million as at 28 February 2020 (2019 – £5.65 million). Given the uncertainty in markets since the Company's year end your Manager has been monitoring the Company's banking covenants closely and releasing to the London Stock Exchange a regular update of the Company's net gearing ratio, which stood at 10.7% as last announced prior to approval of this Statement.

Earnings and Dividend

In total, the revenue earnings per Ordinary share were 19.8p for the year ended 28 February 2020 (2019 – 18.5p), an increase of 7.0%. An interim dividend of 8.0p per share (2019 – 7.0p) was paid to shareholders on 22 November 2019. The Board is declaring a second interim dividend per Ordinary share of 11.0p (2019 final dividend – 11.0p), taking the total dividends per share for the year to 19.0p (2020 – 18.0p), which represents a yield of 4.4% using the 28 February 2020 share price of 434.0p and a yield of 4.4% based on the share price of 429.0p on 4 May 2020. The second interim dividend will be paid on 26 June 2020 to shareholders on the register as at 29 May 2020, with an ex-dividend date of 28 May 2020.

Historically, the Company has paid an interim dividend each November and a final dividend in June, with the final dividend being subject to shareholder approval at the AGM. Announcing a second interim dividend instead of a final dividend avoids the requirement for shareholder approval for this year only. The payment date of the dividend will not be affected should there be a delay to the AGM relating to COVID-19 (see section below on the AGM).

Change to Investment Management Fee

The Board has revised the calculation of the investment management fee. This provides for improved alignment of the interests of the manager and shareholders and reflects changes to fee structures across the investment trust sector. Until 28 February 2020, the investment management fee was charged to the Company monthly and calculated at an annual rate of 0.9% of total assets less current liabilities, 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).

With effect from the start of the Company's year ending 28 February 2021, the basis of the management fee has been changed to an annual rate of 0.9% of the market capitalisation of the Company. This is also subject to a cap which limits the management fee to the equivalent of 1.15% of total assets less current liabilities, calculated monthly. The rebate provisions remain in place. Based on the market capitalisation at the close of business on 4 May 2020 the management fee change would result in a reduction in the management fee of £96,000 or 13%.

Overview

At the start of the year, investors had hoped that the country's first general elections in over five years would provide a much needed boost to the economy. Disappointingly, an impasse followed the March 2019 elections with no clear majority and a two month delay in forming a new government. The resulting uncertainty dampened economic momentum, with subsequent significant capital outflows. A coalition government was finally brought together in May, led predominantly by the military-backed Palang Pracharat Party and two smaller parties. However, with only a slim majority, the government did not have a sufficient mandate to react effectively to the needs of the economy, already hampered by the effects of the protracted US-China trade dispute. The time lost in forming the government also translated into a delay in the fiscal budget, which was finally approved in early February of this year. Furthermore, at the end of the period, the main opposition party, the Future Forward Party, was disbanded, giving the ruling coalition a more decisive majority in the Lower House, and therefore a stronger mandate.

Thai exports shrank during the year, mainly due to disruptions to supply chains as a result of the US-China trade conflict. In addition, Washington cancelled Thailand's duty free status under the Generalised System of Preferences programme for over 500 export items. While relatively small in value, this further suppressed sentiment. The usually

robust domestic demand faltered under the shadow of political volatility and a severe drought hurt the agricultural sector. While overall trade was sluggish, anaemic domestic consumer and corporate demand resulted in imports falling more than exports. This supported a positive trade and current account balance over the period. The healthy current account, low inflation and ample foreign reserves allowed the Bank of Thailand to hold interest rates steady for the first six months, against a backdrop of global monetary policy easing. Eventually however, the Thai central bank reduced rates three times over the period.

The baht was one of the best performing regional currencies over most of the period. However, the strength of the currency, while favourable to the country's current account balance, meant costlier exports and inbound holidays. This put a strain on the domestic economy, particularly on trade and tourism.

Board changes

Sarah McCarthy was appointed a Director on 1 March 2019 but resigned, for personal reasons, on 29 May 2019. The Board subsequently engaged an independent search consultancy to identify a new Director, following which the appointment of Anne Gilding was announced on 18 October 2019. Over the last twenty five years Anne has led the development of global communications, branding and marketing solutions for a broad range of companies including Impax Asset Management Group plc, BMO (formerly F&C), GAM, Vernalis Group plc and UBS. She is currently a senior adviser to Peregrine Communications and has served a term as a trustee of an educational charity. Anne has already made an important contribution to the Board's deliberations and she will seek formal election as a Director at the AGM. I encourage shareholders to vote in favour of her appointment.

Clare Dobie, who had been due to retire at the AGM on 25 June 2019, agreed to remain as a Director to provide continuity during the second recruitment process. She formally resigned as a Director on 3 December 2019. I, and the other Directors, would like to express our thanks to Clare for her considerable contribution to the Board, and to the Company. Andy Pomfret was appointed Senior Independent Director in succession to Clare.

Manager review and team changes

Despite the Company providing shareholders over the long term with an attractive total return per annum, relative performance against the Thai SET Index has been more challenging. Earlier this year, the Board undertook a full review of the Investment Manager's investment process, team and operations in both Thailand and Singapore. The Board took comfort from the level of commitment shown to the region and the evolving investment process which it believes should enable the investment team to improve the long term relative performance.

The Board notes the Manager's commitment to a strong team-based approach to investment management. Orsen Karnburisudthi, the Manager's Head of Equities – Thailand, has primary responsibility for the Company's portfolio following the departure of Adithep Vanabriksha, CIO of Aberdeen Standard Investments Thailand in December 2019. The Board is pleased to report that the Investment Manager has recently recruited two experienced analysts to the team who work under Orsen's direction, further supported by the resources of the Manager's Asia-Pacific headquarters in Singapore. The investment process largely remains unchanged, although a sector specialist approach, with enhanced ESG integration, and an increased focus on the portfolio construction process, has been evolving and, with these refinements, the reinvigorated team remains concentrated on improving performance for our shareholders.

The Board is committed to providing shareholders with a strong investment proposition with the objective of delivering relative outperformance of the fund's benchmark over the long term. To that end, it keeps investment performance under constant review. However, if performance over the next three years to 28 February 2023 has not shown outperformance of the benchmark, 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.

Discount and share buybacks

The Board continues to monitor the discount of the Ordinary share price to the NAV per Ordinary share (including income). It 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 ended 28 February 2020 the Company bought back and cancelled 92,338 Ordinary shares (2019 – 280,612 Ordinary shares) at a cost of £0.5 million (2019 - £1.6 million), representing 0.6% (2019 – 1.7%) of the Company's issued share capital at the start of the year. An additional 3,332 Ordinary shares were selectively bought back for cancellation between 1 March 2020 and the date of approval of this Annual Report resulting in 16,487,231 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 2020, the relevant figure was 13.4% and, accordingly, no special resolution to wind up the Company will be put to the AGM.

Promotional Activities

Your Board is committed to regular and effective communication with all stakeholders and continues to promote the Company through the Investment Manager's promotional activities, to which the Company contributed £58,500 (excluding VAT) during the year ended 28 February 2020 (2019 - £63,000, excluding VAT). The Board reviews regularly these promotional activities.

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

AGM

On 26 March 2020, the UK Government implemented compulsory Stay at Home measures to manage COVID-19 in the UK. These measures dictate that public gatherings of more than two people are not permitted and that leaving one's home should only be for essential purposes. It is unclear how long these restrictions will be in place. The safety, security and health of the Company's shareholders, their guests and our advisers, including the Manager's personnel, is of paramount importance to the Board. Accordingly, in view of these measures, the Board is changing the form of the AGM this year. The AGM will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH at 9.00am on 23 June 2020 but will follow the minimum legal requirements for an AGM. Only the formal business set out in the Notice will be considered, with no presentation by the Investment Manager and no refreshments nor shareholder buffet lunch. In line with the Stay at Home measures, Shareholders are strongly discouraged from attending the meeting and indeed entry may be refused if current UK Government guidance is unchanged. Arrangements will be made by the Company to ensure that a minimum number of Shareholders required to form a quorum will attend the meeting in order that the meeting may proceed.

However, the Board is keen to ensure Shareholders have an opportunity to meet with the Board and the investment management team later in the year when the measures have been relaxed. Therefore, we will be writing to you in due course with details of an opportunity to attend an investor forum at which the Board and investment manager will be in attendance to present and answer your questions.

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

I always welcome questions from our shareholders at the AGM but this year, given the format and the prevailing circumstances, I would ask shareholders to submit their questions to the Board prior to the meeting (and in any event by no later than 9 June 2020). The Board and/or the Investment Manager will respond to all such questions received either before or after the AGM. You may submit questions to the Board and Manager and on the Company, the Annual Report or the Notice of AGM in advance to New.Thai@aberdeenstandard.com.

The proposed resolutions are set out in the Notice of AGM in the printed Annual Report and explained in the Directors' Report. Further information about how to scan and submit a completed proxy to the registrar by email may also be found in the notes to the Notice of AGM.

The presentation which would normally be given to the AGM by the Investment Manager will be made available on the Company's website on 23 June 2020.

The situation in relation to COVID-19 continues to evolve and the Company will update shareholders on any changes to the above arrangements for the AGM through its website at www.newthai-trust.co.uk. Shareholders are

advised to check the Company's website for updates. I trust that shareholders will be understanding and supportive of this approach.

As the Board has declared a second interim dividend, shareholders are not required to approve any dividend by ordinary resolution and a resolution to approve a final dividend will not be put to shareholders at the AGM this year. Instead, in compliance with best practice, the Company is seeking shareholder approval, under resolution 4, for a dividend policy which permits flexibility to pay either interim or final dividends.

Outlook

COVID 19 has dealt a major blow to Thailand's, the region's and the world's economies and markets. How quickly the world recovers from this unprecedented shock depends on how quickly the virus is contained.

Asia and Thailand may unwind lockdown measures earlier than elsewhere but it seems clear that there will be a global economic recession in 2020 which will affect Thailand. However, Thailand and its neighbouring countries, Cambodia, Laos, Myanmar and Vietnam, will be well placed to benefit when the recovery commences and the speed of supply chain movement away from China increases. Importantly, though, the timeframe for a recovery of inbound tourism to Thailand, a critical element of the success of the Thai economy, is unclear.

As a long term investor, your Manager sees periods of instability as opportunities to either add to favoured holdings or introduce new positions at attractive valuations. The Manager's keen focus on selecting high-quality companies with resilient financial performance, recognised ESG credentials as well as strong management and conservative investment strategies should continue to benefit your Company. Ultimately, I remain convinced that the portfolio's quality, in terms of its solid fundamentals and intact growth drivers, will continue delivering returns for shareholders, even in these uncertain times.

Nicholas Smith
Chairman

6 May 2020

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 admitted to the Official List, provided that this restriction does not apply to investments in any such investment trusts or investment companies which themselves have stated investment policies to invest no more than 15% of their 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 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 below and a graph showing NAV (including income) capital return performance against the SET Index over the past ten years is shown in the 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 printed 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 in Results.

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 or they can be found in the pre-investment disclosure document ("PIDD") published by the Manager, both of which are available from the Company's website: newthai-trust.co.uk.

The principal risks and uncertainties, and emerging risks, faced by the Company are reviewed 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.

The key, new risk for the Company emerging just before the year end is the outbreak of COVID-19 which has caused significant economic disruption and contributed to global stock market volatility. The longer term effects of COVID-19 are as yet unknown. 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 outcome and potential impact on the Company of the current transition period up to 31 December 2020, following the UK's exit from the European Union on 31 January 2020 ("Brexit") is becoming clearer. The Company's Thai investments are limited in their direct currency exposure to the UK market while investor sentiment may lead to a widening of the discount at which the Company's shares trade. Overall the Board considers that Brexit poses an immaterial risk to the Company's business model.

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.

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. Shareholders should note that the Board is putting forward a resolution at the forthcoming AGM to amend the Company's Articles of Association to provide the Board with flexibility to pay dividends from capital.

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

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.

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

Description

indirect effect of reputational damage as well as covering its external responsibilities to the Company's stakeholders in the widest sense.

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, 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.

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.

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.

Mitigating Action

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 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 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.

Description

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.

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.

COVID-19 – 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 presents significant challenges both to Thailand and the rest of the world. While it is premature to assess the longer term impact on the individual companies in the portfolio, the Board takes comfort from the Manager's selection of stocks with robust balance sheets and resilient business models.

Mitigating Action

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.

The Board receives reports from the Manager throughout the year 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 are a number of potential risks stemming from COVID-19 which may affect the operations of the Company. These include 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 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.

Description

Political risk and exchange controls – in common with the majority of Asian stockmarkets, 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.

Promoting the Company

The Board recognises the importance of promoting the Company to prospective investors both for improving liquidity and enhancing the value and rating of the Company's shares. The Board believes an effective way to achieve this is through subscription to, and participation in, the promotional programme run by 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 updates on the shareholder register and any changes in the composition of that register.

The purpose of the programme is both to communicate effectively with existing shareholders and to gain new shareholders with the aim of improving liquidity and enhancing the value and rating of the Company's shares. Communicating the long-term attractions of 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 2020 there were two male Directors and two female Directors (2019: 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 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

Mitigating Action

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.

Investments, which can be found at <https://www.aberdeenstandard.com/en/responsible-investing>. The Manager integrates ESG research and analysis across their investment process as standard.

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 is an appropriate period over which to report. The Board considers that this period reflects a balance between looking out over a long term horizon and the inherent uncertainties of looking out further than three years.

- the Company's principal risks and uncertainties as set out in the Strategic Report;
- 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 2021 and 12 weeks ended 28 February 2022, individually, does not exceed 15% which negates the requirement to put to shareholders at the AGMs to be held in either 2021 or 2022, a special resolution to wind up the Company.

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

6 May 2020

INVESTMENT MANAGER'S REPORT

Overview

Thai equities ended lower in the year under review, as stocks mostly traded sideways before tumbling in February, a month marked by surging risk aversion amid COVID-19 fears. Over the Company's financial year, Thailand experienced a perfect storm. Political uncertainty and the extended period it took for the ruling coalition to solidify its position in the Lower House hampered public and private investment. Externally, tensions between the US and China weighed on supply chains and consequently, its exports. An appreciating Thai baht, due to positive trade balances and current accounts, further eroded the competitiveness of its products, while making it more expensive for inbound tourists. A drought dealt another blow to its agricultural commodities sector. More recently, tourism, a main pillar of the economy, has been hit hard by the COVID-19 outbreak as lockdowns have been enforced globally.

The economy grew by 2.4% in 2019, its weakest pace in five years and significantly below its 4.1% expansion in 2018. In response to the economic malaise, the central bank cut rates three times in the review period. The government also unveiled numerous stimulus measures, and intervened to control the baht's strength. The strong Thai currency drove the Company's returns in the first half of the year. With the pound appreciating relative to the baht's weakening in the second half, currency driven returns fell. A weaker baht would prove helpful in boosting exports and tourism when the economy starts to recover.

Portfolio

For the year ended 28 February 2020, the SET Index fell by 12.8% in sterling total return terms. By comparison, your Company's net asset value returned -16.6%. While performance in the one year period was disappointing, long term absolute returns have been good. Relative to the benchmark however, short to medium term performance has undeniably suffered. The team is dedicated to improving this situation helped by changes we have made to the investment process over the past two years. For instance, the adoption of stock and sector ownership, within the investment team, has made for clearer accountability and portfolio construction has been strengthened by new risk tools. Together with a sharper focus on the rationale for continuing to hold stocks, we believe that these refinements should have a positive impact on bolstering shareholder returns in the future, and we remain diligent in identifying further improvements.

The portfolio's underperformance was largely due to its holdings in the resources sector, and more specifically, in Banpu Public and its unit Banpu Power. Banpu Public, which has large coal reserves in Indonesia, China and Australia, was hurt by weaker product prices. Banpu Power, a major subsidiary that operates both conventional and renewable power generation businesses, was meanwhile affected by a power plant outage due to an earthquake in Laos last November. We favour Banpu Power for its plans to invest in cleaner energy resources, but are monitoring its near term operational performance.

Automotive-related holdings also under-performed due to a cyclical downturn in domestic car sales and exports, following a buoyant 2018. Among these was Thai Stanley, which makes lamps and design moulds for use in vehicles, and has a dominant position in both cars and motorcycles. Its earnings remained resilient, despite the challenging conditions for the industry which knocked its share price. We retain confidence in the company, given its scale and management's expertise.

The Company's agricultural and food holdings delivered strong returns over the period. In particular, Osotspa, which makes beverages and personal care products, benefited from resilience in energy drinks that bucked the overall weakness in consumption. Management's forecast for 2020 remains cautiously optimistic with growth in sales and profits, and the group, which has already widened its profit margins, has room to improve this still further from various efficiency initiatives, and increase market share amid the uncertainties from COVID-19. Meanwhile, soft drink producer Haad Thip enjoyed good growth due to the exceptionally warm weather. The stock appears relatively cheap, and provides good dividends. We favour both holdings due to their defensive characteristics in these difficult markets.

The property and construction sector, which makes up a significant proportion of the portfolio, fared well too. In particular, Tesco Lotus Retail Growth, a high quality property fund that is well diversified with 23 assets, delivered robust returns. It rallied on declining bond yields and resilient performance, though news of Tesco's plan to divest its business in Thailand erased some gains in recent months. We believe the recent change in ownership to CP All could help drive the business forward, given the REIT's complementary nature to CP All's existing franchises.

Portfolio Activity

In recent years, we have made a concerted effort to focus more on small and medium sized companies. While these remain an interesting option for the Company, we will invest in compelling opportunities across a range of market capitalisations on the SET Index.

Given our history and position in the market, we have gained a reputation for our fundamentally driven, long term investment process which is attractive to company owners looking to strengthen their shareholder profile when publicly listing their businesses. This has resulted in the opportunity to take up large holdings in two different billion dollar initial public offerings (IPOs) which took place in the past six months. Asset World Corporation has a well diversified portfolio of hospitality, retail and commercial assets. We believe Asset World is well positioned to outperform peers in the medium to long term, as it is a pure play hotel operator with no exposure to the competitive food sector. The second was Central Retail Corporation, one of Thailand's largest multi format retailers with growing

exposure internationally, especially to Vietnam. Its IPO followed a three year restructuring during which it sold off underperforming operations. Its current low indebtedness allows the company flexibility to acquire more assets from its parent Central Group and elsewhere. These come in addition to the introduction of Siam Global House to the portfolio, as mentioned in the interim report. Against these, we sold Thai Reinsurance, due to a more challenging business outlook.

Outlook

The Thai government, in common with its counterparts across the globe, has increased measures to contain COVID-19. Travel curbs on foreign arrivals and the closure of pubs and sports stadiums, among others, will undoubtedly heavily dampen the economy and corporate earnings in the near term. Nevertheless, rapid disbursement of a 3.2 trillion baht (US\$98 billion) national budget, approved in February following months of political deadlock, should at least have provided some assistance. At the time of writing, the government had unveiled a 117 billion baht (US\$3.6 billion) economic relief package with cash handouts for low income earners beyond the tourism sector. The central bank also made an unscheduled interest rate cut, bringing the total reduction to 0.5 percentage points so far this year.

As a result of the recent financial market volatility, valuations have dropped to multi year lows, with certain stocks becoming increasingly attractive to us. Our holdings' solid balance sheets, clear competitive edges and historically healthy cash flows should we hope help buffer many against the current shock from COVID-19 witnessed not only in Thailand but across the world. Our emphasis on regular engagement with our companies we believe will help ensure that we can adjust our portfolio positioning if there are material changes to their outlook. From a macro perspective, the country's fundamentals, prior to COVID-19, remain robust, including a solid external balance sheet and liquidity, limited government debt, and a track record of orthodox monetary and fiscal policies.

Beyond the pandemic, receding political uncertainty bodes well for eventual progress in implementing national reforms and strategic plans. Longer term, Thailand is home to some outstanding businesses which provide goods and services both domestically and overseas. When the economy does recover, key beneficiaries will include exporters, consumer companies and services sectors, such as healthcare and, eventually, tourism. With Thailand regarded as the gateway into Cambodia, Laos, Myanmar and Vietnam, the market appears set to benefit as these neighbours climb the development curve, with many Thai companies gearing up to become regional leaders.

Aberdeen Standard Investments (Asia) Limited, Investment Manager

6 May 2020

PERFORMANCE	1 year return %	3 year return %	5 year return %
Total return (capital return plus dividends reinvested)			
Share price {A}	-18.7	-7.3	+7.5
Net asset value {A}	-16.6	-6.8	+6.8
SET Index	-12.8	+1.9	+22.9
Capital return			
Share price	-21.4	-14.9	-5.3
Net asset value	-18.9	-13.3	-4.1
SET Index	-15.7	-7.4	+4.7

{A} Alternative Performance Measure.

Source: Aberdeen Standard Investments, Morningstar & Lipper

FINANCIAL HIGHLIGHTS

	28 February 2020	28 February 2019	% change
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Total assets (£'000)	95,787	112,021	-14.5
Equity shareholders' funds (net assets) (£'000)	85,787	106,371	-19.4
Market capitalisation (£'000)	71,569	91,538	-21.8
Ordinary share price	434.00p	552.00p	-21.4
Net asset value per Ordinary share	520.22p	641.45p	-18.9
Discount to net asset value per Ordinary share{A}	16.6%	13.9%	
Stock Exchange of Thailand ("SET") Index (Sterling adjusted, capital return)	33.26	39.45	-15.7
Net gearing{A}	10.89%	2.79%	

Dividends and earnings

Revenue return per share	19.77p	18.50p	+6.9
Total dividends per share	19.00p	18.00p	+5.6
Dividend cover{A}	1.04	1.03	
Revenue reserves (prior to payment of second interim dividend) (£'000){B}	4,328	4,200	

Operating costs

Ongoing charges ratio{A}	1.24%	1.26%	
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{A} Considered to be an Alternative Performance Measure.

{B} Reflects dividends paid during the year.

DIVIDENDS

	Rate	Ex-dividend date	Record date	Payment date
Second interim dividend 2020	11.00p	28 May 2020	29 May 2020	26 June 2020
First interim dividend 2020	8.00p	24 October 2019	25 October 2019	22 November 2019
Total 2020	19.00p			
Final dividend 2019	11.00p	30 May 2019	31 May 2019	28 June 2019
Interim dividend 2019	7.00p	25 October 2018	26 October 2018	23 November 2018
Total 2019	18.00p			

TEN YEAR FINANCIAL RECORD

Year to 28 February	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total revenue (£'000)	2,652	2,961	2,934	3,715	3,546	3,573	3,894	3,945	4,165	4,355
Per share (p)										
Net revenue return	8.28	8.87	7.39	8.73	8.20	8.89	10.31	11.12	18.50	19.77
Net dividends paid/proposed	8.00	8.00	7.00	8.00	8.20	8.50	10.30	11.10	18.00	19.00
Net asset value	306.57	387.73	569.58	418.64	542.49	483.03	600.22	694.80	641.45	520.22
Ordinary share price	241.25	311.25	537.50	353.75	458.25	408.00	510.00	592.00	552.00	434.00

Equity shareholders' funds (£'000)	56,530	72,106	120,873	87,175	112,640	95,932	111,212	117,168	106,371	85,787
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INVESTMENT PORTFOLIO – TEN LARGEST INVESTMENTS

As at 28 February 2020

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.

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.

Osotspa

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

Aeon Thana Sinsap

Consumer financial services provider offering hire purchase and personal loans.

Bangkok Insurance

One of the country's largest non-life insurance companies, affiliated with Bangkok Bank.

Advanced Info Service

Thailand's largest and leading provider of wireless communication services with 48% revenue market share and 42 million subscribers.

Land & Houses

A leading property developer operating in the real estate business for residential property projects, as well as in the rental and services business for rental of shopping malls, hotels and apartments.

Home Product Center

Retailer of building materials and home improvement products.

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

Bangkok Dusit Medical Services

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

INVESTMENT PORTFOLIO – OTHER INVESTMENTS

As at 28 February 2020

Company	Sector	Valuation	Total	Valuation
		2020 {A}	assets	2019 {A}
		£'000	%	£'000
PTT Public Company	Energy & Utilities	6,792	7.1	4,404
Advanced Info Service	Information & Communication Technology	4,905	5.1	4,727
Central Pattana	Property Development	4,069	4.2	4,767
Land & Houses {B}	Property Development	3,929	4.1	#N/A
Osotspa	Food & Beverage	3,853	4.0	2,728
Home Product Center	Commerce	3,830	4.0	4,477
Aeon Thana Sinsap	Finance & Securities	3,809	4.0	5,110

Siam Cement	Construction Materials	3,612	3.8	4,387
Bangkok Insurance	Insurance	3,413	3.6	4,394
Bangkok Dusit Medical Services	Health Care Services	3,301	3.4	2,545
Top ten investments		41,513	43.3	
PTT Exploration & Production	Energy & Utilities	2,813	2.9	3,383
Thai Stanley Electric {B}	Automotive	2,813	2.9	#N/A
Minor International {C}	Food & Beverage	2,702	2.8	3,352
Toa Paint	Construction Materials	2,698	2.8	2,786
Siam City Cement	Construction Materials	2,512	2.6	3,283
Eastern Water Resources Development & Management	Energy & Utilities	2,496	2.6	2,915
Hana Microelectronics	Electronic Components	2,470	2.6	2,966
Kasikornbank	Banking	2,437	2.6	3,873
Mega Lifesciences	Commerce	2,397	2.6	2,844
Bangkok Bank	Banking	2,324	2.4	3,242
Top twenty investments		67,175	70.1	
Tisco Financial Group	Banking	2,215	2.3	2,928
Bumrungrad Hospital	Health Care Services	2,167	2.3	2,146
Kiatnakin Bank	Banking	2,157	2.3	2,829
Electricity Generating	Energy & Utilities	2,031	2.1	2,300
Tesco Lotus Retail Growth Freehold & Leasehold Property Fund (Local market shares)	Property Fund & REITS	1,981	2.1	2,994
Dynasty Ceramic {C}	Construction Materials	1,805	1.9	2,282
Siam Commercial Bank	Banking	1,716	1.8	2,022
Krungthai Car Rent & Lease	Finance & Securities	1,542	1.6	1,512
Haad Thip	Food & Beverage	1,519	1.6	1,023
Asset World	Property Development	1,383	1.4	-
Top thirty investments		85,691	89.5	
Central Retail	Commerce	1,291	1.3	-
LPN Development	Property Development	1,197	1.2	2,015
Banpu Power	Energy & Utilities	1,155	1.2	1,666
Muang Thai Insurance	Insurance	1,066	1.1	1,337
Banpu	Energy & Utilities	1,039	1.1	2,625
Siam Global House	Commerce	952	1.0	-
Sammakorn	Property Development	797	0.8	931
Interhides	Automotive	753	0.8	1,606
Goodyear (Thailand)	Automotive	748	0.8	1,257
Thaire Life Assurance	Insurance	368	0.4	1,298
Total investments		95,057	99.2	
Net current assets {D}		730	0.8	
Total assets		95,787	100.0	

{A} Purchases and/or sales effected during the year will result in 2019 and 2020 values not being directly comparable.

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

DIRECTORS' REPORT

The Directors present their Report and the audited financial statements of the Company for the year ended 28 February 2020, taking account of any events between the year end and the date of approval of this Report.

Results and Dividend

The Directors declared an initial interim dividend per share of 8.0p (2019 – 7.0p), payable on 22 November 2019 to shareholders on the register as at 25 October 2019, with an ex-dividend date of 24 October 2019.

The Directors are declaring a second interim dividend per share of 11.00p (2019 – final dividend of 11.0p per share) to be paid on 26 June 2020 to shareholders on the register on 29 May 2020. The ex-dividend date is 28 May 2020. An explanation for the second interim dividend, in place of a final dividend, may be found in the Chairman's Statement.

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 2020.

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 2020 the Company bought back and cancelled 92,338 Ordinary shares (2019 – 280,612 Ordinary shares). As at 28 February 2020, the Company's issued share capital consisted of 16,490,563 Ordinary shares (2019 – 16,582,901 Ordinary shares) with each share holding one voting right in the event of a poll. An additional 3,332 Ordinary shares were bought back for cancellation between 1 March 2020 and the date of approval of this Annual Report resulting in 16,487,231 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 total assets less current liabilities, 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). With effect from the start of the Company's year ended 28 February 2021, the basis of the management fee is as previously except that the annual rate is 0.9% of the Company's market capitalisation and there is now a cap which limits the management fee to the equivalent of 1.15% of total assets less current liabilities, calculated monthly.

The fees payable to ASFML during the year ended 28 February 2020 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 2020 (2019: 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 2020. The UK Code is available on the Financial Reporting Council's ("the FRC") website: 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 on the AIC's website: theaic.co.uk

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 (A.1.2);
- executive directors' remuneration (D.1.1 and D.1.2); and
- the need for an internal audit function (C.3.6).

For the reasons set out in the AIC Guide 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.

Directors

The current Board consists of a non-executive Chairman and three non-executive Directors, all of whom held office throughout the year under review with the exception of Anne Gilding, who was appointed a Director on 18 October 2019. The Senior Independent Director was Clare Dobie, until her retirement on 3 December 2019, and Andy Pomfret thereafter. Sarah McCarthy was a Director from 1 March 2019 until she resigned for personal reasons on 29 May 2019.

The Directors attended Board and scheduled Committee meetings during the year ended 28 February 2020 as follows (with their eligibility to attend the relevant meeting in brackets):

Director	Board Meetings	Audit and Management	Nomination Committee
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		Engagement Committee Meetings	Meetings
Nicholas Smith	4 (4)	3 (3)	5 (5)
Clare Dobie	4 (4)	3 (3)	4 (5)
Andy Pomfret	4 (4)	3 (3)	5 (5)
Sarah MacAulay	4 (4)	3 (3)	5 (5)
Anne Gilding	1 (1)	- (-)	- (-)
Sarah McCarthy ^A	1 (1)	1 (1)	- (-)

^A Appointed a Director on 1 March 2019. Retired as a Director on 29 May 2019

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 printed 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 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. As part of implementing this policy, the Chairman will retire from the Board at the AGM in 2022.

All of the Directors will retire at the AGM in accordance with the AIC Code. Nicholas Smith, Andy Pomfret and Sarah MacAulay, being eligible, offer themselves for individual re-election as Directors of the Company. Anne Gilding, being eligible, offers herself for election as a Director of the Company. The Board as a whole believes that each Director standing for re-election or 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 election or re-election as Directors at the AGM each Board member's individual contribution is set out in the printed Annual Report. The Board therefore has no hesitation in recommending at the AGM the re-election as Directors of Nicholas Smith, Andy Pomfret and Sarah MacAulay and the election as a Director of Anne Gilding.

The Role of the Chairman and Senior Independent Director

The Chairman is responsible for providing effective leadership to the Board, by setting the tone of the Company, demonstrating objective judgement and promoting a culture of openness and debate. The Chairman facilitates the effective contribution and encourages active engagement by each Director. In conjunction with the Company Secretary, the Chairman ensures that Directors receive accurate, timely and clear information to assist them with effective decision-making. The Chairman 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 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. Anne Gilding was appointed a Director on 18 October 2019 following a search assignment conducted by Cornforth Consulting, which has no other relationship with either the Company or its 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 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 2020 the following were registered, or had notified the Company, as being interested in 3% or more of the Company's Ordinary share capital:

Shareholder	Number of shares held	% held
City of London Investment Management	4,547,952	27.6
Lazard Asset Management	3,173,055	19.2
Funds managed by the Standard Life Aberdeen Group	2,743,485	16.6
Aberdeen Investment Trust ISA and Share Plans (non-discretionary)	1,760,966	10.7
Hargreaves Lansdown (non-discretionary)	557,648	3.4

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

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 £10.0m was drawn down under the Facility at 28 February 2020 (2019 - £5.65m).

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 above and in note 16 to the financial statements. Having given careful consideration to market developments since the end of the financial year, including COVID-19 in particular, 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 2020, the Ordinary shares traded at an average discount of 13.4% 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 2021 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 the Strategic Report 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

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, 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 23 June 2020 and the AGM Notice and related notes may be found in the Annual Report. Resolutions relating to the following items of special business will be proposed at the AGM:—

Authority to Allot Relevant Securities

Ordinary Resolution No. 11 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 2021 or on 22 August 2021, whichever is earlier. This means that the authority will have to be renewed at the AGM in 2021.

Limited Disapplication of Pre-emption Provisions

Resolution 12, 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 13 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 11, Resolution 12 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 2021 or 22 August 2021, 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 13, 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 13, to purchase up to a maximum of approximately 2.5m 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 13 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 13, may be held in Treasury. The authority sought under Resolution 13 will expire on the earlier of date of the AGM in 2021 and 22 August 2021, whichever is earlier, unless renewed prior to such time.

Adoption of new Articles of Association

Special Resolution 14 proposes the adoption of a new set of Articles of Association (the "New Articles") to permit the Company to pay dividends out of capital profit, and in order to make minor other improvements, which would replace its current Articles of Association (the "Current Articles"), last amended in 2017. If approved, the New Articles as proposed to be adopted will take effect from the conclusion of the AGM. Set out below is a summary of the principal changes, noting Article references are to the Current Articles.

Directors' remuneration (Article 80)

The New Articles have been updated to incorporate the current limit on annual aggregate Directors' fees of £175,000.

Removal of restriction on dividends out of capital reserves (Article 123.2)

Under the Current Articles, there is a prohibition on distributing dividends out of the Company's capital reserve. The provision is no longer necessary due to a change in the law which removed the prohibition on investment companies distributing capital profits. The New Articles have been updated to provide the Company with more flexibility to make distributions out of capital profits if it is in shareholders' interests to do so.

Changes in light of COVID-19

In light of recent circumstances, the New Articles have been updated to give greater flexibility for meetings to be held where events like COVID-19 occur and related actions are taken by the UK government to restrict physical social gatherings. The proposed amendments will: (1) clarify that the Company may refuse entry to individuals to ensure the general health and safety of attendees of general meetings and (2) permit the postponement of general meetings.

Removal of subscription shares (Articles 158 to 166)

The New Articles have been updated to remove references to the historic subscription share mechanism, which is no longer relevant (it was effective from 31 January 2010 to 31 January 2013). As such, the definition and Clauses 158 to 166 of the Articles have been deleted. Removal of these Clauses has no effect on the rights of existing shareholders of the Company.

Minor updates

Various minor updates have been made in the New Articles none of which are material but which the Board has taken this opportunity to make.

A copy of the Company's Current Articles and a copy marked to show the differences between those and the New Articles as proposed to be adopted pursuant to Resolution 14, will be available in soft copy for inspection from the date of approval of this Report and up to the time of the AGM on the Company's website at: newthai-trust.co.uk.

Recommendation

The Board considers each of Resolutions 11, 12, 13 and 14, under Special Business at the AGM, to be in the best interests of the Company and its members as a whole and is likely to promote the success of the Company for the benefit of its members as a whole. Accordingly, the Board unanimously recommends that shareholders should vote in favour of the resolutions to be proposed under Special Business at the AGM, as they intend to do in respect of their own shareholdings, amounting to 16,264 Ordinary shares.

On behalf of the Board

**Nicholas Smith,
Chairman**

6 May 2020

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

6 May 2020

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year ended 28 February 2020			Year ended 28 February 2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments	10	-	(19,262)	(19,262)	-	(8,393)	(8,393)
Income	3	4,355	-	4,355	4,165	-	4,165
Management fee	4	(245)	(735)	(980)	(246)	(736)	(982)
Administrative expenses	5	(407)	-	(407)	(420)	-	(420)
Currency losses		-	(108)	(108)	-	(33)	(33)
Net return/(loss) before finance costs and taxation		3,703	(20,105)	(16,402)	3,499	(9,162)	(5,663)
Finance costs	6	(33)	(101)	(134)	(36)	(108)	(144)
Return/(loss) before taxation		3,670	(20,206)	(16,536)	3,463	(9,270)	(5,807)
Taxation	7	(400)	(1)	(401)	(381)	(4)	(385)
Return/(loss) after taxation		3,270	(20,207)	(16,937)	3,082	(9,274)	(6,192)
Return/(loss) per Ordinary share (pence)	9	19.77	(122.16)	(102.39)	18.50	(55.67)	(37.17)

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 2020 £'000	As at 28 February 2019 £'000
Non-current assets			
Investments at fair value through profit or loss	10	95,057	109,309
Current assets			
Debtors and prepayments	11	314	2,486
Money market funds		511	631
Cash at bank and in hand		149	486
		974	3,603
Creditors: amounts falling due within one year			
Bank loans	12	(10,000)	(5,650)
Other creditors	12	(244)	(891)
		(10,244)	(6,541)
Net current liabilities		(9,270)	(2,938)
Net assets		85,787	106,371
Share capital and reserves			
Called-up share capital	13	4,123	4,146
Share premium account		19,391	19,391
Capital redemption reserve		1,412	1,389
Capital reserve		56,533	77,245
Revenue reserve		4,328	4,200
Equity shareholders' funds		85,787	106,371
Net asset value per Ordinary share (pence)	14	520.22	641.45

STATEMENT OF CHANGES IN EQUITY

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)
Dividend paid (see note 8)	-	-	-	-	(3,142)	(3,142)
Balance at 28 February 2020	4,123	19,391	1,412	56,533	4,328	85,787

Year ended 28 February 2019

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 28 February 2018	4,216	19,391	1,319	88,105	4,137	117,168
Purchase of own shares for cancellation	(70)	-	70	(1,586)	-	(1,586)
(Loss)/return after taxation	-	-	-	(9,274)	3,082	(6,192)
Dividend paid (see note 8)	-	-	-	-	(3,019)	(3,019)
Balance at 28 February 2019	4,146	19,391	1,389	77,245	4,200	106,371

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 2020 £'000	Year ended 28 February 2019 £'000
Operating activities			
Net loss before finance costs and taxation		(16,402)	(5,663)
Adjustment for:			
Losses on investments		19,262	8,393
Currency losses		108	33
Increase in accrued dividend income		(8)	(115)
(Increase)/decrease in other debtors excluding tax		(17)	5
Decrease in other creditors		(36)	(13)
Overseas withholding tax		(400)	(373)
Net cash flow from operating activities		<u>2,507</u>	<u>2,267</u>
Investing activities			
Purchases of investments		(17,072)	(21,097)
Sales of investments		13,632	20,862
Net cash used in investing activities		<u>(3,440)</u>	<u>(235)</u>
Financing activities			
Interest paid		(119)	(141)
Equity dividends paid	8	(3,142)	(3,019)
Loan repaid		-	(5,650)
Loan drawn down		4,350	5,650
Buyback of Ordinary shares	13	(505)	(1,586)
Net cash from/(used in) financing activities		<u>584</u>	<u>(4,746)</u>
Decrease in cash and cash equivalents		<u>(349)</u>	<u>(2,714)</u>
Analysis of changes in cash during the period			
Opening balance		1,117	3,864
Effect of exchange rate fluctuations on cash held		(108)	(33)
Decrease in cash and cash equivalents as above		(349)	(2,714)
Closing balance		<u>660</u>	<u>1,117</u>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2020

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 Directors have considered a detailed assessment of the Company's ability to meet its liabilities as they fall due. This included the consideration of the impact that a significant reduction in the liquidity and fair value of the investment portfolio would have on the existing loan covenants in the current economic conditions caused by the outbreak of COVID-19. In light of this analysis, the Company's cash position, the level of revenue reserves, the liquidity of the portfolio of investments and modest gearing level, the Directors are satisfied that at the time of approving the financial statements, there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future (a period of at least twelve months after the date the financial statements are signed). Thus they continue to adopt the going concern basis of accounting in preparing the financial statements. Further detail is included in the Directors' Report (unaudited).

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

	2020	2019
	£'000	£'000
Income from investments		
Overseas dividends	4,339	4,156

Other income		
Deposit interest	3	2
Interest from money market funds	13	7
	<u>16</u>	<u>9</u>
Total income	4,355	4,165

4. Management fee

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Management fee	245	735	980	246	736	982

For the year ended 28 February 2020 management and secretarial services were provided by Aberdeen Standard Fund Managers Limited ("ASFML").

The management fee is payable monthly in arrears and was based on an annual amount of 0.9% of the net asset value of the Company valued monthly. The agreement is terminable on one year's notice. The total of the fees paid and payable during the year to 28 February 2020 was £980,000 (2019 - £982,000) and the balance due to ASFML at the year end was £136,000 (2019 - £161,000). There were no commonly managed funds held in the portfolio during the year to 28 February 2020 (2019 - none).

5. Administrative expenses

	2020 £'000	2019 £'000
Promotional activities	59	63
Directors' fees	115	96
Auditor's fees for:		
- audit of the Company's annual accounts	24	23
- other assurance services	2	2
Custody fees	55	59
Legal & professional fees	50	74
Listing fees	17	16
Directors' and officers' insurance	5	6
Printing and stationery	19	18
Registrar's fees	13	14
Savings scheme expenses	3	12
Other expenses	45	37
	<u>407</u>	<u>420</u>

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 (2019 - £63,000) with a balance of £10,000 (2019 - £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

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
On bank loans	33	101	134	36	108	144

7. Taxation

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(a) Analysis of charge for the year						
Overseas withholding tax	400	1	401	381	4	385
Total tax charge	400	1	401	381	4	385

(b) Factors affecting tax charge for the year. The UK corporation tax rate is 19% (2019 - 19%). The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The differences are explained below:

	2020			2019		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Net return before taxation	3,670	(20,206)	(16,536)	3,463	(9,270)	(5,807)
Corporation tax at standard rate of 19% (2019 - 19%)	697	(3,839)	(3,142)	658	(1,761)	(1,103)
Losses on investments not taxable	-	3,660	3,660	-	1,595	1,595
Currency losses not taxable	-	21	21	-	6	6
Non-taxable overseas income	(825)	-	(825)	(790)	-	(790)
Expenses not deductible for tax purposes	2	-	2	3	-	3
Overseas withholding tax	400	-	400	381	4	385
Loan relationships not utilised	4	19	23	5	20	25
Excess management expenses not utilised	122	140	262	124	140	264
Total tax charge	400	1	401	381	4	385

(c) Factors that may affect future tax charges. At the year end, the Company has an unrecognised deferred tax asset of £2,354,000 (2019 - £2,100,000) arising as a result of accumulated unrelieved management expenses and loan relationship deficits of £13,850,000 (2019 - £12,354,000). 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.

8. Dividends on equity shares

	2020	2019
	£'000	£'000
Amounts recognised as distributions to equity holders in the year:		
Final dividend 2019 - 11.00p (2018 - 11.10p)	1,821	1,857
Return of unclaimed dividends	(1)	-
First interim dividend 2020 - 8.00p (2019 - interim of 7.00p)	1,322	1,162
	<u>3,142</u>	<u>3,019</u>

The second interim dividend of 11.0p per Ordinary share, payable on 26 June 2020 to shareholders on the register on 29 May 2020 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 £3,270,000 (2019 - £3,082,000).

	2020	2019
	£'000	£'000
First interim dividend 2020 - 8.00p (2019 - interim of 7.00p)	1,322	1,162
Second interim dividend 2020 - 11.00p (2019 - nil)	1,814	-
Final dividend 2019 - 11.00p	-	1,821
	<u>3,136</u>	<u>2,983</u>

Subsequent to the year end the Company has purchased for cancellation a further 3,332 Ordinary shares; therefore the amount reflected above for the cost of the second interim dividend for 2020 is based on 16,487,231 in issue, being the number of Ordinary shares in issue at the date of approval of this Report.

9. Return per Ordinary share

	2020		2019	
	£'000	p	£'000	p
Revenue return	3,270	19.77	3,082	18.50
Capital return	(20,207)	(122.16)	(9,274)	(55.67)
Total return	<u>(16,937)</u>	<u>(102.39)</u>	<u>(6,192)</u>	<u>(37.17)</u>
Weighted average number of Ordinary shares in issue		<u>16,540,884</u>		<u>16,657,633</u>

10. Investments at fair value through profit or loss

	2020	2019
	£'000	£'000
Opening book cost	71,524	64,605
Opening investment holding gains	37,785	56,038
Opening fair value	<u>109,309</u>	<u>120,643</u>

Analysis of transactions made during the year

Purchases at cost	16,446	19,704
Sales proceeds received	(11,436)	(22,645)
Losses on investments	(19,262)	(8,393)
	<hr/>	<hr/>
Closing fair value	95,057	109,309
	<hr/>	<hr/>
Closing book cost	81,022	71,524
Closing investment gains	14,035	37,785
	<hr/>	<hr/>
Closing fair value	95,057	109,309
	<hr/>	<hr/>
Investments listed on a recognised stock exchange	95,057	109,309
	<hr/>	<hr/>

The Company received £11,436,000 (2019: £22,645,000) from investments sold in the period. The book cost of these investments when they were purchased was £6,947,000 (2019: £12,785,000). 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:

	2020	2019
	£'000	£'000
Purchases	49	44
Sales	15	22
	<hr/>	<hr/>
	64	66
	<hr/>	<hr/>

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

	2020	2019
	£'000	£'000
Prepayments and accrued income	300	277
Amounts due from brokers	-	2,196
Other debtors	14	13
	<hr/>	<hr/>
	314	2,486
	<hr/>	<hr/>

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 (2019 - £5,650,000) had been drawn down at an all-in rate of 1.53225% (2019 - 1.58638%) which matured on 10 March 2020 (2019 - 11 April 2019). As of the latest date prior to the signing of this Report the £10,000,000 loan has been rolled over to 10 June 2020 at an all-in interest rate of 1.33425%.

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.

	2020	2019
	£'000	£'000
(b) Other creditors		
Amounts due to brokers	-	626
Sundry creditors	244	265
	<u>244</u>	<u>891</u>

13. Called-up share capital

	2020	2019
	£'000	£'000
Allotted, called up and fully paid:		
Opening balance of 16,582,901 (2019 - 16,863,513) Ordinary shares of 25p each	4,146	4,216
Repurchase of 92,338 (2019 - 280,612) Ordinary shares of 25p each for cancellation	(23)	(70)
Closing balance of 16,490,563 (2019 - 16,582,901)	<u>4,123</u>	<u>4,146</u>

During the year ended 28 February 2020, the Company bought back and cancelled 92,338 Ordinary shares of 25p each (2019 - 280,612) for a total consideration of £505,000 (2019 - £1,586,000). This represented 0.56% of the Company's issued Ordinary share capital as at 28 February 2020.

Subsequent to the year end the Company bought back and cancelled a further 3,332 Ordinary shares of 25p each for a total consideration of £12,000.

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:

	2020	2019
Net assets attributable (£'000)	85,787	106,371
Number of Ordinary shares in issue	16,490,563	16,582,901
Net asset value per share (p)	520.22	641.45

15. Analysis of changes in net debt

	At		At
	28 February	Currency	28 February
	2019	differences	2020
	£'000	£'000	£'000
Cash and short term deposits	1,150	(108)	(241)
			801

Debt due within one year	(5,650)	-	(4,350)	(10,000)
	<u>(4,500)</u>	<u>(108)</u>	<u>(4,591)</u>	<u>(9,199)</u>

	At 28 February 2018 £'000	Currency differences £'000	Cash flows £'000	At 28 February 2019 £'000
Cash and short term deposits	3,864	(33)	(2,681)	1,150
Debt due within one year	(5,650)	-	-	(5,650)
	<u>(1,786)</u>	<u>(33)</u>	<u>(2,681)</u>	<u>(4,500)</u>

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 CFO 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 to 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:

At 28 February 2020	Weighted average period for which rate is fixed Years	Weighted average interest rate %	Fixed rate £'000	Floating rate £'000
Assets				
Sterling	-	0.49	-	149
	-----	-----	-----	-----
				149
Liabilities				
Bank loans - Sterling	0.16{A}	1.53	(10,000)	-
	-----	-----	-----	-----
	Weighted average period for which rate is fixed	Weighted average interest rate	Fixed rate	Floating rate

At 28 February 2019	Years	%	£'000	£'000
Assets				
Sterling	-	0.47	-	460
Thailand Baht	-	-	-	26
				486
Liabilities				
Bank loans - Sterling	0.16{A}	1.59	(5,650)	-

{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 2020			28 February 2019		
	Overseas	Net	Total	Overseas	Net	Total
	investments	monetary	currency	investments	monetary	currency
	£'000	assets	exposure	£'000	assets	exposure
		£'000	£'000		£'000	£'000
Thailand Baht	95,057	-	95,057	109,309	1,596	110,905
Sterling	-	(9,270)	(9,270)	-	(4,534)	(4,534)
Total	95,057	(9,270)	85,787	109,309	(2,938)	106,371

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 to 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 2020 would have increased/(decreased) by £9,506,000 (2019 - increased/(decreased) by £10,931,000) 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% (2019: 25%) of net assets. Details of borrowings at 28 February 2020 are shown in note 12.

Liquidity risk exposure. At 28 February 2020 the Company's bank loan, amounting to £10,000,000 (2019 - £5,650,000), was due for repayment or roll-over within one month (2019 - two months).

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;
- the risk of counterparty exposure due to stock lending (when conducted) is mitigated by the review of collateral positions provided daily by the various counterparties involved; and
- 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:

	2020		2019	
	Statement of Financial Position	Maximum exposure	Statement of Financial Position	Maximum exposure
	£'000	£'000	£'000	£'000
Current assets				

Loans and receivables	314	314	2,486	2,486
Money market funds	511	511	631	631
Cash at bank and in hand	149	149	486	486
	974	974	3,603	3,603

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
As at 28 February 2020				
Financial assets at fair value through profit or loss				
Quoted equities	94,309	748	-	95,057
Net fair value	94,309	748	-	95,057
As at 28 February 2019				
Financial assets at fair value through profit or loss				
Quoted equities	108,052	1,257	-	109,309
Net fair value	108,052	1,257	-	109,309

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 £748,000 (2019: £1,257,000) 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 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 £511,000 (2019 - £631,000) 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.

- 20. Subsequent events.** Subsequent to the year end, the Company's NAV has reduced as a result of a decline in stockmarket values caused by the COVID-19 pandemic. The NAV per share was 493.66p as at the close of business on 4 May 2020, a decline of 5.1% as compared to the NAV per share of 520.22p at the year end.

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 2020 and 28 February 2019 and total return for the year.

	Dividend	NAV	Share
2020	rate		price
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
Total return		-16.6%	-18.7%

	Dividend	NAV	Share
2019	rate		price
28 February 2018	N/A	694.80p	592.00p
31 May 2018	11.10p	659.94p	565.00p

25 October 2018	7.00p	647.50p	549.00p
28 February 2019	N/A	641.45p	552.00p
Total return		-5.1%	-3.7%

Discount to net asset value per Ordinary share. The discount is the amount by which the share price of 434.00p (2019 - 552.00p) is lower than the net asset value per share of 520.22p (2019 - 641.45p), expressed as a percentage of the net asset value.

Dividend cover. Revenue return per share of 19.77p (2018 - 18.5p) divided by total dividends per share of 19.0p (2019 - 18.0p) expressed as a ratio.

Net gearing. Net gearing measures the total borrowings of £10,000,000 (28 February 2019 – £5,650,000) less cash and cash equivalents of £660,000 (28 February 2019 - £2,687,000) divided by shareholders' funds of £85,787,000 (28 February 2019 - £106,371,000), 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 £nil (28 February 2019 - due from brokers - £1,570,000) as well as cash and cash equivalents of £660,000 (28 February 2019 - £1,117,000).

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.

	2020	2019
Investment management fees (£'000)	980	982
Administrative expenses (£'000)	407	420
Less: non-recurring charges (£'000)	(24)	(26)
Ongoing charges (£'000)	1,363	1,376
Average net assets{A} (£'000)	110,133	109,519
Ongoing charges ratio	1.24%	1.26%

{A} 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 29 February 2020 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 2019 and 29 February 2020 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 2019 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 2020 and will also be available from the Company's website: newthai-trust.co.uk. The Company's AGM will be held at 9.00am on 23 June 2020 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.

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