

abr dn Asian Income Fund Limited

Half Yearly Report 30 June 2023

Contents

Overview

Performance Highlights	1
Chairman's Statement	2

Portfolio

Ten Largest Investments	5
Investment Portfolio	7

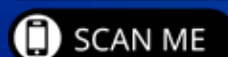
Financial Statements

Condensed Statement of Comprehensive Income	9
Condensed Balance Sheet	10
Condensed Statement of Changes in Equity	11
Condensed Statement of Cash Flows	12
Notes to the Financial Statements	13

General Information

Alternative Performance Measures	17
Interim Board Report – Disclosures	19
Investor Information	21
Contact Addresses	22

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Investment Objective

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

Find out more

www.asian-income.co.uk

Performance Highlights



The NAV fell by 3.7% on a total return basis for the six months ended 30 June 2023. This compares to a fall of 2.4% in the MSCI AC Asia Pacific ex Japan Index.

The dividend yield at the end of the period was 5.3%.

Dividend yield^A

5.3%

As at 30 June

2023 5.3%

As at 31 December

2022 4.7%

Earnings per Ordinary share – basic (revenue)

6.28p

Six months ended 30 June

2023 6.28p

Six months ended 30 June

2022 5.23p

Net asset value total return^{AB}

-3.7%

Six months ended 30 June

2023 -3.7%

Year ended 31 December

2022 -3.6%

Ordinary share price total return^{AB}

-4.0%

Six months ended 30 June

2023 -4.0%

Year ended 31 December

2022 -2.7%

MSCI AC Asia Pacific ex Japan Index total return (currency adjusted)^B

-2.4%

Six months ended 30 June

2023 -2.4%

Year ended 31 December

2022 -6.8%

MSCI AC Asia Pacific ex Japan High Dividend Yield Index total return (currency adjusted)^B

+1.4%

Six months ended 30 June

2023 1.4%

Year ended 31 December

2022 3.2%

Discount to net asset value per Ordinary share^A

12.3%

As at 30 June

2023 12.3%

As at 31 December

2022 11.7%

Ongoing charges^A

1.01%

Six months ended 30 June

2023 1.01%

Year ended 31 December

2022 1.01%

Net gearing^A

10.0%

As at 30 June

2023 10.0%

As at 31 December

2022 8.1%

^A Alternative Performance Measure (see pages 17 and 18).

^B Total return represents the capital return plus dividends reinvested.

Chairman's Statement



Highlights

- Despite the short-term underperformance, the Company has outperformed the MSCI AC Asia Pacific ex Japan Index over 1, 3 and 5 years
- Our dividend for the year is expected to exceed 10.60p per share, an increase from last year, and if achieved would provide a yield of 5.4%
- New holdings have been added to the portfolio to further enhance the Company's income-generating capacity
- Environmental, social and governance ('ESG') analysis is firmly embedded in the research process and reflects our belief that companies with good ESG practices will be the winners over the longer term

Market Overview

The first half of 2023 was a challenging period for investors in Asian stock markets, as the macroeconomic environment and monetary policy moves continued to influence investor sentiment significantly more than individual company performance.

In my previous annual statement, I had highlighted three key areas of interest in the outlook: inflation, monetary policy, and China. Through this review period, we have seen how each theme proved pivotal in driving market direction. While recession risks persist in Europe and the US, owing to continued policy rate tightening, it bears noting that inflation remains lower in Asia. A positive development was a fall in the price of some key raw materials, which should help to relieve cost pressures faced by companies. As for China, optimism around a demand recovery from the country's Covid re-opening led to an initial rise in Asian stock markets. This, however, soon gave way to weakness on the back of signs that China's economic recovery might be stalling, although markets stabilised subsequently and traded in a narrow range.

The period was also characterised by fluctuating markets caused by uncertainty around inflation, the impact of the US Federal Reserve's ("Fed") long series of policy rate increases and whether a global recession could be avoided later in the year. The decision by the OPEC+ group of oil-producing countries to cut output sparked fears that this could further stoke inflation.

Performance

In this environment, over the six months to 30 June 2023, the net asset value ("NAV") total return declined by 3.7% on a total return basis, which compares to the MSCI AC Asia Pacific ex Japan Index's (the "Index") decline of 2.4%. The share price ended the period at 201p, representing a discount of 12.3% to the NAV per share.

Despite the short-term underperformance, the Company has outperformed the Index over 1, 3 and 5 years, underlining the benefit of the Investment Manager's steadfast commitment to quality companies offering both capital and income growth.

Performance (total return) to 30 June 2023

	Six months % return	1 Year % return	3 Year % return	5 Year % return
Share price (Ordinary) ^A	-4.0	+0.5	+26.3	+26.6
Net asset value ^A	-3.7	-0.3	+24.4	+25.7
MSCI AC Asia Pacific ex Japan Index (currency adjusted)	-2.4	-3.4	+5.6	+14.0
MSCI AC Asia Pacific ex Japan High Dividend Yield Index (currency adjusted)	+1.4	+2.8	+19.9	+21.2

^A Considered to be an Alternative Performance Measure (see pages 17 and 18 for more details).

Portfolio Activity

The Investment Manager took advantage of weakness in the market to add five holdings that should further enhance your Company's income-generating capacity; **Tencent, Autohome, Telstra, SITC International** and **Astra International**.

The positions in **Medibank, Kasikornbank**, and **Macquarie Group** were sold to manage the Company's exposure to the financial sector in the wake of the banking turmoil in the US and Europe. Stakes in **Okinawa Cellular** and **Bank Rakyat Indonesia** were divested in order to redirect the proceeds into higher yielding companies.

Revenue and Dividends

Revenue earnings per share were 6.28p for the six month period ended 3 June 2023, an increase of 20.1% compared to the first six months of the previous year. The Company has continued to benefit from the Investment Manager's focus on high-yielding companies with strong fundamentals, where it believes there is room for significant increases in dividend receipts.

The Company has already declared first and second interim dividends of 2.50p per share in respect of the year ending 31 December 2023, with the second interim dividend payable on 25 August 2023 to shareholders on the register on 28 July 2023.

The Board is very aware of the importance of dividends to shareholders and is pleased to reiterate that, in the absence of unforeseen circumstances, the intention is to declare a total dividend exceeding 10.60p per Ordinary share in respect of the year to 31 December 2023, equating to a dividend yield of 5.4% based on the closing share price of 195.75p on 16 August 2023.

The level of the remaining two dividends for 2023 will be considered at each quarter end, at which point an announcement will be made by the Company. There are healthy revenue reserves built up by the Company that the Board will consider using as appropriate. Any decision as to whether revenue reserves will be utilised (and by how much) will be taken at the time of the declaration of the fourth interim dividend in January 2024.

This Company's history of increasing the dividend means that it continues to be a "next generation dividend hero" as recognised

by the Association of Investment Companies. It is very much our intention to continue to extend this record.

Share Capital Management

In line with the Board's policy to buy back shares when the discount at which the Company's shares trade exceeds 5% to the underlying NAV (exclusive of income), the Company bought back 1.1 million shares during the period to be held in treasury, at a cost of £2.3 million.

These buybacks provide an enhancement to the Company's NAV and benefit all shareholders. The Company will continue selectively to buy back shares in the market, in normal market conditions and at the discretion of the Board.

Gearing

The Company has a £10 million fixed rate term loan and a £40 million revolving credit facility, both of which mature in March 2024. At the period end, £30.1 million of the revolving credit facility was drawn down, resulting in total borrowings of £40.1 million and gearing (net of cash) of 10.0%, compared to 8.1% at the beginning of the period.

Jersey Administrator

On 16 August 2023, we announced that the Company had appointed a new, Jersey based, regulated administrator, JTC Fund Solutions (Jersey) Limited ("JTC") to carry out the Jersey regulatory function with effect from 15 August 2023. All investment management and fund administration functions will continue to be provided by the abrdn group through its Singapore based Asian Equity team and UK fund administration team. As a result, day-to-day investment decisions and management of the Company will not be impacted by the reorganisation. There are no changes to the management fee as a result of the reorganisation and the administration fee charged by JTC will be met by abrdn.

Outlook

Asian markets are likely to remain volatile until there is more clarity about the strength of China's economy. The central government will be watching economic data closely, and if the economy does not improve, we could see Beijing increase its support through targeted measures. The monetary tightening cycle in the US will also remain a significant factor. While it is

Chairman's Statement continued

likely that this tightening is close to its peak, recent comments by Fed chairman, Jerome Powell, that inflation remains too high and that he expected further tightening in the second half of the year did cause some market uncertainty in this regard. With some Asian currencies pegged to the US Dollar, any further interest rate rises will have an effect on the markets in which your Company operates.

However, despite the recent difficulties, the fundamental long-term rationale for investing in Asia remains compelling. Rising affluence is leading to growth in consumption in premium products in areas such as personal care, financial services and food and beverages. Ongoing urbanisation is driving an infrastructure boom which will benefit property developers and mortgage providers.

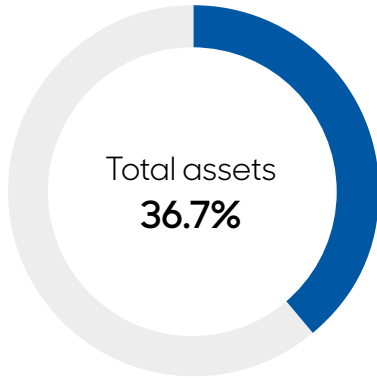
The Investment Manager's focus remains on quality companies with sustainable business models, strong cash flows and access to structural growth drivers across Asia, as these support growth in both capital and shareholder returns.

Ian Cadby

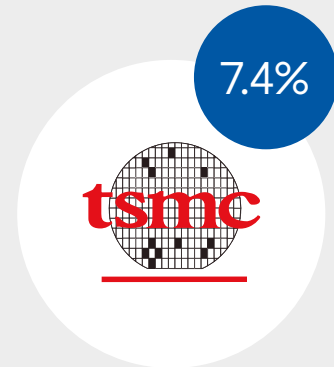
Chairman
17 August 2023

Ten Largest Investments

Analysis of top ten investments

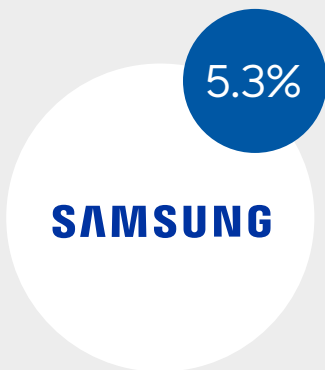


2023 valuation
£156.8m



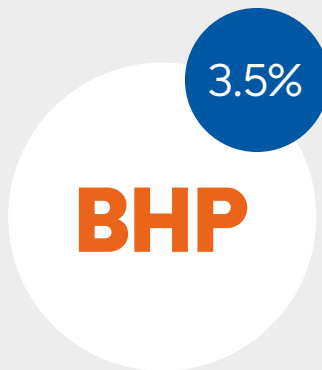
Taiwan Semiconductor Manufacturing Company ("TSMC")

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



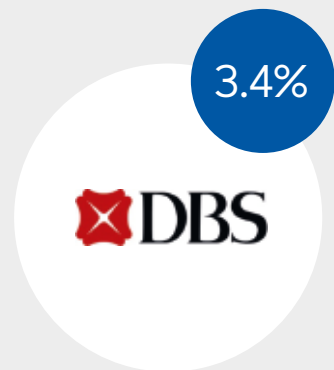
Samsung Electronics (Pref)

One of the global leaders in the memory chips segment, and also a major player in smartphones and display panels. It has a vertically-integrated business model and robust balance sheet, alongside good free cash flow generation.



BHP Group

The Anglo-Australian miner is a proxy for China and emerging markets' secular growth. It offers higher relative returns, a better social responsibility culture than its peers and an asset mix that is better leveraged to the energy sector's recovery.



DBS Group

The largest Singapore bank, it is also the best managed with a clear strategy. It is backed by good digital infrastructure, and operates with an obvious focus on efficiency of returns, as shown in the distinctively better return on equity than local peers.

Ten Largest Investments continued

3.3%



Oversea-Chinese Banking Corporation

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

3.2%



Power Grid

The company plans and manages the national power grid network in India and is poised to play a key role in the growth of renewable energy delivery in future as part of the country's drive towards green energy.

3.0%



Hon Hai Precision Industry

Hon Hai is Apple's main iPhone supplier. The Investment Manager likes that the company is broadening its business into electric vehicle-related opportunities, while management has become more disciplined in its investments.

2.8%



Venture Corporation

Provides contract manufacturing services to electronics companies. The company's major segments include printing, imaging, networking and communications. It has been increasing its revenue contribution from original design manufacturing.

2.4%



Charter Hall Long Wale REIT

The Australian REIT has a diversified set of properties across the country and has been improving the quality of its assets, by refreshing its portfolio and improving the terms of its contracts.

2.4%



China Resources Land

The Chinese developer and mall-operator has industry-leading margins and competitive financing cost, supported by a land bank that is primarily in first and second-tier Chinese cities.

^A Holdings at 30 June 2023 based on Total Assets less current liabilities excluding bank loans.

Investment Portfolio



As at 30 June 2023

Company	Country	Valuation £'000	Total assets %
Taiwan Semiconductor Manufacturing Company	Taiwan	31,768	7.4
Samsung Electronics (Pref)	South Korea	22,550	5.3
BHP Group	Australia	14,909	3.5
DBS Group	Singapore	14,545	3.4
Oversea-Chinese Banking Corporation	Singapore	14,167	3.3
Power Grid	India	13,664	3.2
Hon Hai Precision Industry	Taiwan	12,683	3.0
Venture Corporation	Singapore	11,775	2.8
Charter Hall Long Wale REIT	Australia	10,429	2.4
China Resources Land	China	10,330	2.4
Top ten investments		156,820	36.7
Region RE	Australia	10,209	2.4
AIA Group	Hong Kong	10,139	2.4
Sunonwealth Electric Machine	Taiwan	10,091	2.4
United Overseas Bank	Singapore	9,989	2.3
Rio Tinto ^A	Australia	9,870	2.3
Taiwan Mobile	Taiwan	9,555	2.2
LG Chem (Pref)	South Korea	9,492	2.2
Keppel Infrastructure Trust	Singapore	7,857	1.8
Spark New Zealand	New Zealand	7,776	1.8
Singapore Telecommunications	Singapore	7,230	1.7
Top twenty investments		249,028	58.2
Commonwealth Bank of Australia	Australia	6,638	1.6
Tisco Financial Group Foreign	Thailand	6,622	1.5
Auckland International Airport	New Zealand	6,407	1.5
Centuria Industries REIT	Australia	6,185	1.5
Singapore Technologies Engineering	Singapore	6,084	1.4
Hong Kong Exchanges & Clearing	Hong Kong	6,024	1.4
Momo.com Inc	Taiwan	5,886	1.4
Infosys	India	5,682	1.3
Accton Technology	Taiwan	5,650	1.3
Midea Group 'A'	China	5,559	1.3
Top thirty investments		309,765	72.4

Investment Portfolio continued

As at 30 June 2023

Company	Country	Valuation 2023 £'000	Total assets %
China Merchants Bank 'A'	China	5,295	1.2
ASX	Australia	5,097	1.2
Capitaland Investment	Singapore	5,065	1.2
Hang Lung Properties	Hong Kong	4,987	1.2
SAIC Motor 'A'	China	4,954	1.2
Siam Cement ^B	Thailand	4,941	1.2
Hana Microelectronics (Foreign)	Thailand	4,898	1.1
Capitland India Trust	Singapore	4,694	1.1
Tencent Holdings	Hong Kong	4,620	1.1
Telstra Corporation	Australia	4,459	1.0
Top forty investments		358,775	83.9
Tata Consultancy Services	India	4,396	1.0
SITC International Holdings	Hong Kong	4,395	1.0
Globalwafers	Taiwan	4,368	1.0
Media Tek Inc	Taiwan	4,344	1.0
NZX	New Zealand	4,169	1.0
National Australia Bank	Australia	4,129	1.0
Amada Co	Japan	3,953	0.9
Lotus Retail Growth Freehold And Leasehold Property Fund	Thailand	3,859	0.9
Dah Sing Financial Holding	Hong Kong	3,805	0.9
Autohome Adr	Cayman Islands	3,759	0.9
Top fifty investments		399,952	93.5
China Vanke (H shares)	China	3,586	0.8
KMC Kuei Meng	Taiwan	3,539	0.8
ICICI Bank ^C	India	3,405	0.8
Convenience Retail Asia	Hong Kong	3,389	0.8
Land & Houses Foreign	Thailand	3,267	0.8
Taiwan Union Technology	Taiwan	2,228	0.5
AEM Holdings	Singapore	2,156	0.5
Digital Core REIT Management	Singapore	2,116	0.5
China Resources Gas	Hong Kong	1,705	0.4
Capitaland Ascott Trust	Singapore	94	0.0
Top sixty investments		425,437	99.4
Autohome (A shares)	Cayman Islands	30	-
Capitaland India Trust(Dummy Rights)	Singapore	-	-
G3 Exploration ^C	China	-	-
Total value of investments		425,467	99.4
Net current assets^D		2,582	0.6
Total assets		428,049	100.0

^A Incorporated in and listing held in United Kingdom.

^B Holding includes investment in common (£3,303,000) and non-voting depositary receipt (£1,638,000) lines.

^C Corporate bonds.

^D Excludes bank loans of £40,127,000.

Condensed Statement of Comprehensive Income



	Six months ended 30 June 2023 (unaudited)			Six months ended 30 June 2022 (unaudited)			Year ended 31 December 2022 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment income									
Dividend income	12,808	-	12,808	10,849	-	10,849	21,423	-	21,423
Interest income	219	-	219	159	-	159	371	-	371
Stock lending income	3	-	3	-	-	-	-	-	-
Traded option premiums	-	-	-	47	-	47	47	-	47
Total revenue	13,030	-	13,030	11,055	-	11,055	21,841	-	21,841
Losses on investments held at fair value through profit or loss	-	(24,603)	(24,603)	-	(36,224)	(36,224)	-	(29,033)	(29,033)
Net currency gains/(losses)	-	811	811	-	(2,313)	(2,313)	-	(3,204)	(3,204)
	13,030	(23,792)	(10,762)	11,055	(38,537)	(27,482)	21,841	(32,237)	(10,396)
Expenses									
Investment management fee	(631)	(946)	(1,577)	(668)	(1,003)	(1,671)	(1,308)	(1,962)	(3,270)
Other operating expenses	(415)	-	(415)	(496)	-	(496)	(939)	-	(939)
Total operating expenses	(1,046)	(946)	(1,992)	(1,164)	(1,003)	(2,167)	(2,247)	(1,962)	(4,209)
Profit/(loss) before finance costs and tax	11,984	(24,738)	(12,754)	9,891	(39,540)	(29,649)	19,594	(34,199)	(14,605)
Finance costs	(428)	(643)	(1,071)	(169)	(254)	(423)	(470)	(704)	(1,174)
Profit/(loss) before tax	11,556	(25,381)	(13,825)	9,722	(39,794)	(30,072)	19,124	(34,903)	(15,779)
Tax expense	(924)	(154)	(1,078)	(784)	319	(465)	(1,695)	408	(1,287)
Profit/(loss) for the period	10,632	(25,535)	(14,903)	8,938	(39,475)	(30,537)	17,429	(34,495)	(17,066)
Earnings per Ordinary share (pence) (note 3)	6.28	(15.08)	(8.80)	5.23	(23.10)	(17.87)	10.23	(20.24)	(10.01)

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

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

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

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

Condensed Balance Sheet

	Notes	As at 30 June 2023 (unaudited) £'000	As at 30 June 2022 (unaudited) £'000	As at 31 December 2022 (audited) £'000
Non-current assets				
Investments held at fair value through profit or loss		425,467	455,329	448,323
Current assets				
Cash and cash equivalents		4,894	4,434	7,328
Other receivables		3,600	2,194	1,175
		8,494	6,628	8,503
Creditors: amounts falling due within one year				
Bank loans	6	(40,127)	(39,158)	(30,986)
Other payables		(5,912)	(2,821)	(1,288)
		(46,039)	(41,979)	(32,274)
Net current liabilities				
		(37,545)	(35,351)	(23,771)
Total assets less current liabilities				
		387,922	419,978	424,552
Creditors: amounts falling due after more than one year				
Deferred tax liability on Indian capital gains		(1,134)	(1,297)	(1,124)
Bank loan	6	-	(9,973)	(9,981)
		(1,134)	(11,270)	(11,105)
Net assets				
		386,788	408,708	413,447
Stated capital and reserves				
Stated capital	7	194,933	194,933	194,933
Capital redemption reserve		1,560	1,560	1,560
Capital reserve		176,613	200,343	204,414
Revenue reserve		13,682	11,872	12,540
Equity shareholders' funds				
		386,788	408,708	413,447
Net asset value per Ordinary share (pence)				
	4	229.17	240.04	243.44

The financial statements on pages 9 to 16 were approved by the Board of Directors and authorised for issue on 17 August 2023 and were signed on its behalf by:

Ian Cadby
Chairman

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

Condensed Statement of Changes in Equity

Six months ended 30 June 2023 (unaudited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance	194,933	1,560	204,414	12,540	413,447
Buyback of Ordinary shares for treasury	-	-	(2,266)	-	(2,266)
(Loss)/profit for the period	-	-	(25,535)	10,632	(14,903)
Dividends paid (note 5)	-	-	-	(9,490)	(9,490)
Balance at 30 June 2023	194,933	1,560	176,613	13,682	386,788

Six months ended 30 June 2022 (unaudited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance	194,933	1,560	242,727	11,570	450,790
Buyback of Ordinary shares for treasury	-	-	(2,909)	-	(2,909)
(Loss)/profit for the period	-	-	(39,475)	8,938	(30,537)
Dividends paid	-	-	-	(8,636)	(8,636)
Balance at 30 June 2022	194,933	1,560	200,343	11,872	408,708

Year ended 31 December 2022 (audited)

	Stated capital £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Opening balance	194,933	1,560	242,727	11,570	450,790
Buyback of Ordinary shares for treasury	-	-	(3,818)	-	(3,818)
Loss/(profit) for the year	-	-	(34,495)	17,429	(17,066)
Dividends paid (note 5)	-	-	-	(16,459)	(16,459)
Balance at 31 December 2022	194,933	1,560	204,414	12,540	413,447

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

The stated capital in accordance with Companies (Jersey) Law 1991 Article 39A is £260,822,000 (30 June 2022 – £260,822,000; 31 December 2022 – £260,822,000). These amounts include proceeds arising from the issue of shares by the Company, but exclude the cost of shares purchased for cancellation or treasury by the Company.

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

Condensed Statement of Cash Flows

	Six months ended 30 June 2023 (unaudited) £'000	Six months ended 30 June 2022 (unaudited) £'000	Year ended 31 December 2022 (audited) £'000
Cash flows from operating activities			
Dividend income received	10,673	9,919	21,140
Interest income received	237	153	354
Derivative income received	-	47	47
Return of capital included in investment income	313	-	-
Investment management fee paid	(786)	(1,784)	(5,169)
Other cash expenses	(580)	(479)	(801)
Cash generated from operations	9,857	7,856	15,571
Interest paid	(1,096)	(435)	(1,041)
Overseas taxation paid	(881)	(804)	(1,712)
Net cash inflows from operating activities	7,880	6,617	12,818
Cash flows from investing activities			
Purchases of investments	(66,923)	(47,167)	(55,017)
Sales of investments	68,545	53,206	75,625
Capital gains tax on sales	(144)	-	(83)
Net cash inflow from investing activities	1,478	6,039	20,525
Cash flows from financing activities			
Purchase of own shares for treasury	(2,266)	(2,909)	(3,818)
Dividends paid	(9,490)	(8,636)	(16,459)
Repayment of loans	-	-	(8,948)
Net cash outflow from financing activities	(11,756)	(11,545)	(29,225)
Net (decrease)/increase in cash and cash equivalents	(2,398)	1,111	4,118
Cash and cash equivalents at the start of the period	7,328	3,268	3,268
Foreign exchange	(36)	55	(58)
Cash and cash equivalents at the end of the period	4,894	4,434	7,328

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

Notes to the Financial Statements



1. Accounting policies – basis of preparation

The Annual Report is prepared in accordance with International Financial Reporting Standards (IFRS), as issued by the International Accounting Standards Board (IASB), and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB (IFRIC). The condensed Half Yearly Report has been prepared in accordance with International Accounting Standards (IAS) 34 – 'Interim Financial Reporting' and should be read in conjunction with the Annual Report for the year ended 31 December 2022.

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

The condensed interim financial statements have been prepared using the same accounting policies as the preceding annual financial statements.

During the period the following standards, amendments to standards and new interpretations became effective. The adoption of these standards and amendments did not have a material impact on the financial statements:

IAS 1 Amendments	Classification of Liabilities as Current or Non-Current	1 January 2023
IAS 1 Amendments	Disclosure of Accounting Policies	1 January 2023
IAS 8 Amendments	Definition of Accounting Estimates	1 January 2023
IAS 12 Amendments	Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
IFRS 4 Amendments	Deferral of effective date of IFRS 9	1 January 2023
IFRS 17 Amendments	Insurance Contracts	1 January 2023
IFRS 17 Amendments	Amendments (Effective Date)	1 January 2023
IFRS 17 Amendments	(Initial Application of IFRS 17 and IFRS 9 – Comparative Information)	1 January 2023

2. Segmental information

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

Notes to the Financial Statements continued

3. Earnings per Ordinary share

	Six months ended 30 June 2023 (unaudited) p	Six months ended 30 June 2022 (unaudited) p	Year ended 31 December 2022 (audited) p
Revenue return	6.28	5.23	10.23
Capital return	(15.08)	(23.10)	(20.24)
Total return	(8.80)	(17.87)	(10.01)

The figures above are based on the following:

	Six months ended 30 June 2023 (unaudited) £'000	Six months ended 30 June 2022 (unaudited) £'000	Year ended 31 December 2022 (audited) £'000
Revenue return	10,632	8,938	17,429
Capital return	(25,535)	(39,475)	(34,495)
Total return	(14,903)	(30,537)	(17,066)
Weighted average number of Ordinary shares in issue	169,308,308	170,797,870	170,411,839

4. Net asset value per share

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

	As at 30 June 2023 (unaudited)	As at 30 June 2022 (unaudited)	As at 31 December 2022 (audited)
Attributable net assets (£'000)	386,788	408,708	413,447
Number of Ordinary shares in issue (excluding shares in issue held in treasury)	168,776,311	170,269,918	169,832,401
Net asset value per Ordinary share (p)	229.17	240.04	243.44



5. Dividends on equity shares

	Six months ended 30 June 2023 (unaudited) £'000	Six months ended 30 June 2022 (unaudited) £'000	Year ended 31 December 2022 (audited) £'000
Amounts recognised as distributions to equity holders in the period:			
Second interim dividend 2022 – 2.30p per Ordinary share	-	-	3,915
Third interim dividend 2022 – 2.30p per Ordinary share	-	-	3,908
Fourth interim dividend for 2022 – 3.10p per Ordinary share (2021 – 2.75p)	5,263	4,712	4,712
First interim dividend for 2023 – 2.50p per Ordinary share (2022 – 2.30p)	4,227	3,924	3,924
	9,490	8,636	16,459

A second interim dividend of 2.50p per Ordinary share for the year to 31 December 2023 will be paid on 25 August 2023 to shareholders on the register on 28 July 2023. The ex-dividend date was 27 July 2023.

6. Bank loans

At the period end approximately GBP 15.8 million, USD 8.85 million and HKD 73.5 million, equivalent to £30.1 million was drawn down from the £40 million multi-currency revolving facility with bank of Nova Scotia, London Branch. The interest rates attributed to the GBP, USD and HKD loans at the period end were 5.6609%, 6.36448% and 5.94964% respectively.

In addition, the Company has an unsecured fixed £10 million credit facility with Bank of Nova Scotia, London Branch at an all-in interest rate of 1.53%. Both facilities mature on 2 March 2024.

7. Stated capital

The Company has issued 194,933,389 Ordinary shares of no par value, which are fully paid (30 June 2022 – 194,933,389; 31 December 2022 – 194,933,389).

During the period 1,056,090 Ordinary shares were bought back by the Company for holding in treasury at a cost of £2,266,000 (30 June 2022 – 1,288,978 shares were bought back at a cost of £2,909,000; 31 December 2022 – 1,726,495 shares were bought back for holding in treasury at a cost of £3,818,000). As at 30 June 2023 26,157,078 (30 June 2022 – 24,663,471; 31 December 2022 – 25,100,988) Ordinary shares were held in treasury.

A further 238,157 Ordinary shares have been bought back by the Company for holding in treasury, subsequent to the reporting period end, at a cost of £490,000. Following the share buybacks there were 168,538,154 Ordinary shares in issue excluding those held in treasury.

8. Related party disclosures and transactions with the Manager

There have been no transactions with related parties during the period which have materially affected the financial position or the performance of the Company.

Notes to the Financial Statements continued

9. Fair value hierarchy

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

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

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

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

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

At 30 June 2023 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Quoted equities	422,062	-	-	422,062
Quoted bonds	-	3,405	-	3,405
Total assets	422,062	3,405	-	425,467

At 30 June 2022 (unaudited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Quoted equities	451,557	-	-	451,557
Quoted bonds	-	3,772	-	3,772
Total assets	451,557	3,772	-	455,329

At 31 December 2022 (audited)	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Financial assets at fair value through profit or loss				
Quoted equities	444,727	-	-	444,727
Quoted bonds	-	3,596	-	3,596
Total assets	444,727	3,596	-	448,323

10. Subsequent Events

On 16 August 2023, the Company announced that it had appointed a new, Jersey based, regulated administrator, JTC Fund Solutions (Jersey) Limited ("JTC") to carry out the Jersey regulatory function with effect from 15 August 2023. All investment management and fund administration functions will continue to be provided by the abrdn group through its Singapore based Asian Equity team and UK fund administration team. As a result, day-to-day investment decisions and management of the Company will not be impacted by the reorganisation. There are no changes to the management fee as a result of the reorganisation and the administration fee charged by JTC will be met by abrdn.

11. Half Yearly Financial Report

The financial information for the six months ended 30 June 2023 and 30 June 2022 has not been audited.

Alternative Performance Measures



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

Discount to net asset value per Ordinary share

The discount is the amount by which the share price is lower than the net asset value per share, expressed as a percentage of the net asset value.

		30 June 2023	31 December 2022
NAV per Ordinary share (p)	a	229.17p	243.44p
Share price (p)	b	201.00p	215.00p
Discount	$(a-b)/a$	12.3%	11.7%

Dividend yield

The yield for 30 June 2023 is calculated based on the prospective annual dividend for 2023 per Ordinary share in accordance with the Board's stated target divided by the share price, expressed as a percentage. The yield for 31 December 2022 is calculated based on the annual dividend for 2022 per Ordinary share divided by the share price, expressed as a percentage.

		30 June 2023	31 December 2022
Annual dividend per Ordinary share (p)	a	10.60p	10.00p
Share price (p)	b	201.00p	215.00p
Dividend yield	a/b	5.3%	4.7%

Net gearing

Net gearing measures the total borrowings less cash and cash equivalents divided by shareholders' funds, expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes amounts due to and from brokers at the period end as well as cash and cash equivalents.

		30 June 2023	31 December 2022
Borrowings (£'000)	a	40,127	40,967
Cash (£'000)	b	4,894	7,238
Amounts due to brokers (£'000)	c	3,938	-
Amounts due from brokers (£'000)	d	473	-
Shareholders' funds (£'000)	e	386,788	413,447
Net gearing	$(a-b+c-d)/e$	10.0%	8.1%

Alternative Performance Measures continued

Ongoing charges ratio

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 published daily net asset values with debt at fair value throughout the year. The ratio for 30 June 2023 is based on forecast ongoing charges for the year ending 31 December 2023.

	30 June 2023	31 December 2022
Investment management fees (£'000)	3,094	3,270
Administrative expenses (£'000)	850	939
Less: non-recurring charges ^A (£'000)	(8)	(42)
Ongoing charges (£'000)	3,936	4,167
Average net assets (£'000)	398,166	421,170
Ongoing charges ratio (excluding look-through costs)	0.99%	0.99%
Look-through costs^B	0.02%	0.02%
Ongoing charges ratio (including look-through costs)	1.01%	1.01%

^A Professional services comprising advisory and legal fees considered unlikely to recur.

^B Calculated in accordance with AIC guidance issued in October 2020 to include the Company's share of costs of holdings in investment companies on a look-through basis.

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

Total return

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. Share price and NAV total returns are monitored against open-ended and closed-ended competitors, and the Reference Index, respectively.

Six months ended 30 June 2023		NAV	Share Price
Opening at 1 January 2023	a	243.44p	215.00p
Closing at 30 June 2023	b	229.17p	201.00p
Price movements	c=(b/a)-1	-5.9%	-6.5%
Dividend reinvestment ^A	d	2.2%	2.5%
Total return	c+d	-3.7%	-4.0%

Year ended 31 December 2022		NAV	Share Price
Opening at 1 January 2022	a	262.76p	231.00p
Closing at 31 December 2022	b	243.44p	215.00p
Price movements	c=(b/a)-1	-7.4%	-6.9%
Dividend reinvestment ^A	d	3.8%	4.2%
Total return	c+d	-3.6%	-2.7%

^A NAV total return involves investing the net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

Interim Board Report – Disclosures



Principal Risk Factors

The principal risks and uncertainties affecting the Company are set out below and in detail on pages 22 to 23 of the Annual Report for the year ended 31 December 2022 and are not expected to change materially for the remaining six months of the Company's financial year.

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

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

The risks can be summarised under the following headings:

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

The Board considers that a number of contingent risks stemming from the Covid-19 pandemic may continue to linger, which may impact the operation of the Company. These include investment risks surrounding the companies in the portfolio such as employee absence, reduced demand, reduced turnover and supply chain breakdowns. In addition, the Russian military offensive against Ukraine has resulted in heightened security and cyber threats across the globe as well as market disruption and heightened geo-political uncertainty.

Whilst the Company has no holdings in Ukraine or Russia, these contingent and emerging risks from the conflict may have a global impact for some time and may affect the portfolio in the form of higher energy prices as well as increased volatility.

The Investment Manager will continue to review carefully the composition of the Company's portfolio and to be pro-active in taking investment decisions where necessary.

An explanation of other risks relating to the Company's investment activities, specifically market price, liquidity and credit risk, and a note of how these risks are managed, are contained in note 18 on pages 82 to 89 of the Annual Report for the year ended 31 December 2022.

Going Concern

The Directors have undertaken a robust review of the Company's ability to continue as a going concern. The Company's assets consist primarily of a diverse portfolio of listed equity shares which in most circumstances are realisable within a very short timescale.

The Directors have reviewed forecasts detailing revenue and liabilities, have set limits for borrowing and reviewed compliance with banking covenants, including the headroom available. They have also considered the ability of the Company to re-finance its loan facilities which are due to mature in March 2024. Having taken these factors into account, the Directors believe that the Company has adequate financial resources to continue in operational existence for the foreseeable future and at least 12 months from the date of this Half Yearly Report. Accordingly, the Directors continue to adopt the going concern basis in preparing these financial statements.

Interim Board Report – Disclosures continued

Directors' Responsibility Statement

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

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

On behalf of the Board

Ian Cadby

Chairman
17 August 2023

Investor Information



Keeping You Informed

Detailed information on the Company, including the share price, performance information and a monthly fact sheet is available from the Company's website (asian-income.co.uk). Investors can receive updates via email by registering on the home page of the website. Alternatively you can call 0808 500 0040 (free when dialling from a UK landline) for investment company information.

Twitter: @abrdnTrusts

LinkedIn: abrdn Investment Trusts

Direct Investment

Investors can buy and sell shares in the Company directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser.

Shareholder Enquiries

Registered Shareholders

In the event of queries regarding their holdings of shares, lost certificates dividend payments, registered details, etc registered shareholders holding their shares in the Company directly should contact the Registrar, Link Market Services (Jersey) Limited, IFC 5, St Helier, Jersey JE1 1ST (e-mail shareholderenquiries@linkgroup.co.uk) or Tel: 0371 664 0300. Lines are open 9.00 a.m. to 5.30 p.m. (London Time) Monday to Friday. Calls may be recorded and monitored randomly for security and training purposes.

Changes of address must be notified to the Registrar in writing.

General Enquiries

Any general enquiries about the Company should be directed to the Company Secretary, JTC Fund Solutions (Jersey) Limited, JTC House, PO Box 1075, 28 Esplanade, St Helier, Jersey JE4 2QP or by emailing CEF.CoSec@abrdn.com.

abrdn Investment Trust Savings Plans (the "Plans")

In June 2023, abrdn notified existing investors in the abrdn Investment Trust ISA, Share Plan and Investment Plan for Children that these plans will be closing in December 2023. The Plans are no longer open to new investors.

If you are an existing investor in the Plans and have any queries, please contact our Investor Services department on 0808 500 4000 or +44 1268 448 222 from overseas. We are open 9.00am to 5.00pm Monday to Friday. Call charges will vary. Alternatively, please contact us by email at: inv.trusts@abrdn.com. Email is not a secure form of communication so you should not send any personal or sensitive information.

Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found in the 'Key Literature' section of the Company's website.

Online Dealing

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

AJ Bell YouInvest; Barclays Smart Investor; Charles Stanley Direct; Fidelity; Halifax Share Dealing; Hargreaves Lansdown; Interactive Investor; Novia; Transact; and Standard Life.

Discretionary Private Client Stockbrokers

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

Independent Financial Advisers

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

Regulation of Stockbrokers

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

Tel: **0800 111 6768** or

<https://register.fca.org.uk/register@fca.org.uk>

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