

# Asia Dragon Trust plc

Capturing growth from world-class Asian companies



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### Investment Objective

To achieve long-term capital growth through investment in Asia, with the exception of Japan and Australasia. Investments are made primarily in stock markets in the region, principally in large companies. When appropriate, the Company will utilise gearing to maximise long term returns.

### Company Benchmark

MSCI All Country Asia (ex Japan) Index (sterling adjusted).



### Visit our Website

To find out more about Asia Dragon Trust plc, please visit: [asiadragontrust.co.uk](http://asiadragontrust.co.uk)

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“The best way to mitigate risk in a climate dominated by fear and volatility is a continued focus on the fundamentals. Your Manager’s quality and value style is as relevant as ever.”

**James Will, Chairman**

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## Corporate Information

Overview

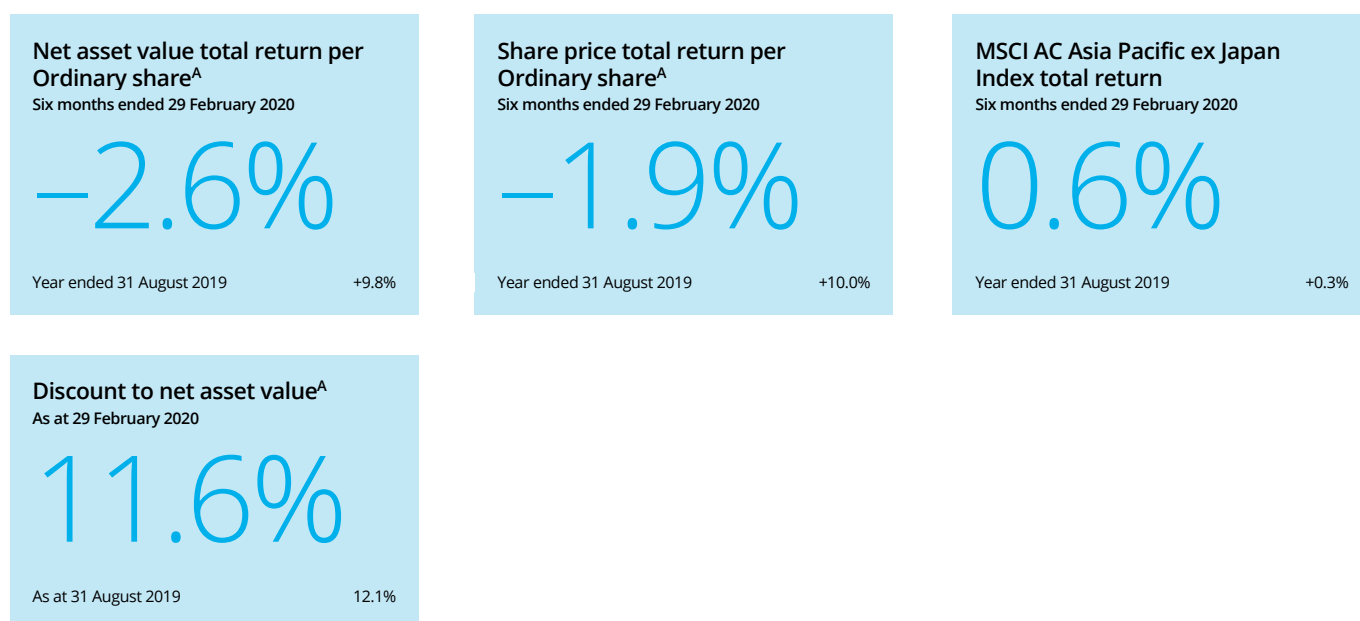
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# Highlights and Financial Calendar



<sup>A</sup> Considered to be an Alternative Performance Measure as defined on page 25.

## Performance Highlights

	6 months ended 29 February 2020	Year ended 29 February 2020	3 years ended 29 February 2020	5 years ended 29 February 2020	10 years ended 29 February 2020
Net asset value per share <sup>A</sup>	-2.6%	+8.1%	+21.0%	+46.6%	+128.1%
Share price <sup>A</sup>	-1.9%	+6.7%	+24.3%	+46.7%	+126.2%
MSCI AC Asia (ex Japan) Index (in sterling terms)	+0.6%	+4.6%	+19.1%	+49.8%	+116.2%

<sup>A</sup> Considered to be an Alternative Performance Measure as defined on page 25.

## Financial Calendar

Financial year end	31 August 2020
Announcement of annual results for year ending 31 August 2020	November 2020
Annual General Meeting	December 2020
Final Ordinary dividend payable for year ending 31 August 2020	December 2020

## Financial Highlights

	29 February 2020	31 August 2019	% change
Equity shareholders' funds (£'000)	563,885	589,708	-4.4
Net asset value per share	441.39p	458.03p	-3.6
Share price (mid)	390.00p	402.50p	-3.1
Discount to net asset value per Ordinary share <sup>A</sup>	11.6%	12.1%	
MSCI AC Asia (ex Japan) Index (in sterling terms; capital return)	935.12	935.63	-0.1
Net gearing <sup>A</sup>	3.6%	3.5%	
Ongoing charges ratio <sup>A</sup>	0.89%	0.83%	

<sup>A</sup> Considered to be an Alternative Performance Measure as defined on pages 25 and 26.

# Chairman's Statement

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"I remain optimistic that your Company's portfolio can navigate the present challenges and thrive once the current pandemic comes under control."

**James Will, Chairman**

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## Overview

I am writing primarily to cover the Company's first half-year to 29 February 2020. Events since then, however, due to the COVID-19 pandemic, have obviously changed the landscape completely, not just in investment terms. Accordingly my report is split into two parts, one reporting on the period and the other comprising the Outlook. We have endeavoured in the latter part to address some of the issues facing the Company, albeit this is very much speculation as it appears likely that the full impact of this virus will be felt for some time to come.

The first half-year was a testing period for Asian stocks. Equity markets reacted to the ebb and flow of the US-China trade dispute, which culminated in both sides reaching a "Phase One" accord. Sterling strength, on the back of the Conservatives' decisive UK election win, dampened your Company's returns. Against this backdrop, the Trust's net asset value (NAV) declined by 2.6% on a total return basis (in sterling terms), trailing the 0.6% increase in our benchmark (the MSCI All Country Asia (ex Japan) Index). The share price slipped a little less by 1.9%, slightly tightening the discount to NAV.

The final quarter of 2019 accounted for the bulk of the Trust's underperformance over the review period. Signals that the US and China would reach an agreement propelled stockmarkets higher. Loose monetary policy worldwide and a brightening outlook for the technology sector lifted the mood too. Amid such exuberance, your Company struggled to keep pace with rallying markets, particularly in China, as fundamentals took a back seat. While the US and China did roll back some tariffs, a significant number remained in place. Moreover, the next stage of talks will centre on more complex issues, making a full resolution unlikely to be reached quickly, if at all.

In contrast, the start of 2020 saw a swift reversal of fortunes as the COVID-19 outbreak became a full-blown global pandemic. As infections and deaths rose, fears grew that the damage to the global economy would be more severe than first thought. This, coupled with the collapse in oil prices caused by a disagreement between Russia and Saudi Arabia, triggered the widespread sell-off across equity markets.

## Portfolio

The Trust's performance, and the positioning of your Company's underlying portfolio, reflected your Manager's continued focus on quality amid volatile markets.

China was a good example, as several holdings there made meaningful contributions. One of these was **Tencent**, now the Trust's largest position, which provides diversified exposure to the fast-growing Chinese IT and consumer segments. The internet giant emerged from a difficult period in which regulatory hurdles had buffeted its key mobile-game business and its shares rebounded on growing recognition that its efforts to build up its advertising, payments and cloud businesses had created a more sustainable business model. As COVID-19 spread, quarantine measures to contain the outbreak forced people to stay indoors. This drove up demand for indoor entertainment and online games, further supporting Tencent's stock.

The heightened volatility also created opportunities to introduce some additional mainland China companies at attractive valuations. Your Manager continues to screen prospective holdings for their financial strength, prospects and corporate governance standards and favours industry leaders with strong and sustainable competitive positions in areas of structural growth. Among the additions was **Beijing Sinnet Technology**, a leading internet data-centre provider that also offers broadband, cloud and other value-added services. China will be a key pillar of growth in the global data-centre segment, driven by trends such as 5G networks and "the internet of things." All these are expected to increase demand for Beijing Sinnet's services. In addition, the company's first-mover status has enabled it to secure spaces in prime locations, something that its rivals cannot easily replicate.

Another area of vast potential is China's burgeoning middle class and the shift in consumer tastes in favour of more premium products and services. To that end, your Manager bought **Meituan Dianping**, which is uniquely placed to tap consumption growth stemming from e-commerce. Meituan operates a "super app" that caters to a wide range of consumer needs. With over 400 million users, it offers services such as food delivery and travel bookings, as well as wedding and funeral services.

## Chairman's Statement Continued

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Your Company's core technology holdings, **Samsung Electronics** and **Taiwan Semiconductor Manufacturing Co (TSMC)**, stood out as well. The pair are global leaders with proven track records of delivering solid returns over the business cycle, again highlighting the advantage of the quality-led approach. More recently, they rallied in tandem with the wider semiconductor sector on the back of an anticipated turnaround in memory chip demand. Looking forward, your Manager believes that the outlook for Samsung and TSMC remains bright, given their scale and commitment to investing for the future. While COVID-19 is disrupting both supply and demand for the sector over the short term, longer-term sources of growth appear intact. Notably, emergent technologies such as 5G networks, cloud computing and AI, should lift demand for more-advanced memory chips. Meanwhile, both companies' healthy cash flow and robust balance sheets support steady shareholder returns, a valuable buffer against near and medium term shocks.

Elsewhere, the Trust's heavy exposure to India dented returns as market-specific issues further weighed on stocks there. These included large-scale protests against controversial changes to a citizenship law, persistent stress in the financial system and a disappointing Budget. In line with efforts to maintain the portfolio's quality, your Manager sold several Indian holdings due to waning conviction in their prospects. Motorcycle maker Hero Motocorp, for instance, faced stiffer competition, declining margins, and expectations of lower sales due to higher vehicle ownership costs. Another exit was Grasim Industries, as weakening demand in its core chemicals business clouded its outlook.

### Revenue Account

For the six months to 28 February 2020, the revenue account recorded a return on ordinary activities after taxation of £353,000, representing 0.28p per share, compared with a return of £613,000 for the six months to 28 February 2019. The majority of the Company's portfolio income, as is typical with Asian equities, is accounted for in the second half of the Company's financial year.

### Events during the Period

At the Company's Annual General Meeting on 12 December 2019, all resolutions were passed.

### Discounts and Share Buybacks

The Board seeks to manage the Company's discount in line with its peer group. The discount level of the Company's shares is closely monitored by the Board and Manager and share buybacks are undertaken when appropriate. During the six month period to 29 February 2020, 996,000 shares were bought back and held in treasury.

Since the outbreak of COVID-19, market dislocation is such that closed end fund discounts of most investment trusts have widened substantially, including the Asian-Pacific sector. As at 17 April 2020, the Company's discount stood at 10.8%, with the sector average at 8.4%.

### Gearing

The Board continues to believe that the sensible use of modest financial gearing should enhance returns to shareholders over the longer term. The Company has in place a £50 million three-year loan facility, of which £25 million is fixed and fully drawn down and £25 million is revolving.

At 29 February 2020, £6 million of the revolving facility was drawn and the Trust's net gearing position was 3.6%, compared to 3.5% at the end of August 2019.

The Manager is closely monitoring gearing levels and bank covenants. As at 17 April 2020 the Company's net assets stood at £521.39 million and net gearing was 1.8%, and the Company is pleased to report that these levels remain comfortably within the covenant limits.

### The Board

As part of the Board's succession planning, Gaynor Coley assumed the chair of the audit committee following the AGM in December 2019. Iain McLaren, who has assisted with the audit chair transition, will retire from the Board at the end of April 2020, following the publication of our interim results. On behalf of the Board, I should like to thank Iain for his outstanding contribution, particularly in his role as Audit Committee Chairman. Charlie Ricketts will assume the role of Senior Independent Director from 1 May 2020.



## Outlook

As I mention above, since the end of January 2020, almost all issues have been overtaken by the worsening spread of the COVID-19 virus.

At the time of writing, the situation remains highly fluid. Financial markets, after their initial heavy falls, are seeing wild swings as optimism about stimulus is tempered by the worrying COVID-19 newsflow and gloomy economic data. With virus cases still rising, notably in the US and Europe, the widespread travel curbs, border closures and lockdowns of entire cities should help to stem the virus' spread, but the economic impact will be considerable. Sectors such as manufacturing, tourism and retail are likely to bear the brunt. Governments' policy support, including stimulus packages, tax relief and interest rate cuts, should help soften the blow but with the duration and magnitude of the downturn still unknown, the volatile conditions are likely to persist for some time.

It seems likely, therefore, that Shareholders should be prepared for further tough times ahead. The economic toll of the pandemic, both in Asia and worldwide, will be substantial. All sectors will be affected in this downturn. China's initial manufacturing shock was already beginning to spill over across the region, but with the expected rapid fall in consumption, especially on discretionary items and services, this is likely to weigh heavily upon corporate earnings.

Ultimately, the best way to mitigate risk in a climate dominated by fear and volatility is a continued focus on the fundamentals. Here, your Manager's quality and value style is as relevant as ever. The Company is committed to its approach, seeking best-in-class companies in Asia which are strongly positioned, with clear competitive advantages and defensive earnings streams. Their robust balance sheets, with healthy cash positions and low debt levels, should also help their relative positioning in the event of any potential liquidity constraints. At the same time, these companies are exposed to long-term growth drivers arising from structural trends. These include rising discretionary spending, growing adoption of nascent technologies and demand for infrastructure. Your Manager's on the ground presence and emphasis on regular engagement with the boards and management of investee companies is a particular virtue as it affords them a deeper understanding of the opportunities and risks facing companies and sectors at this difficult time. Thus, I remain optimistic that your Company's portfolio can navigate the present challenges and thrive once the current pandemic comes under control.

For Asia Dragon Trust plc,  
**James Will,**  
**Chairman**  
20 April 2020

# Interim Board Report

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## 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 in place a robust process to identify, assess and monitor the principal risks and uncertainties facing the Company and to identify and evaluate newly emerging risks. A summary of the principal risks and uncertainties facing the Company is summarised below under the following headings:

- Investment Performance
- Concentration Risk
- Resource
- Reliance on Third Party Service Providers
- Discount volatility
- Gearing
- Regulatory

Details of these risks and a description of the mitigating action which the Company has taken are provided in detail on pages 9 to 10 of the 2019 Annual Report. The principal risks have not changed nor are they expected to change in the second half of the financial year ended 31 August 2020.

In addition to these risks, there are also a large number of international political and economic uncertainties which could have an impact on the performance of Asian markets. The outbreak of the recent global COVID-19 virus has resulted in business disruption and stockmarket volatility across the world. The extent of the effect of the virus, including its long term impact, remains uncertain. The Manager has undertaken a detailed review of the investee companies in the Company's portfolio to assess the impact of COVID-19 on their operations such as employee absence, reduced demand, reduced turnover and supply chain breakdowns and will review carefully the composition of the Company's portfolio and will be pro-active where necessary. In addition the Manager has implemented extensive business continuity procedures and contingency arrangements to ensure that they are able to continue to service their clients, including investment trusts.

The outcome and potential impact of Brexit remains an economic risk for the Company, principally in relation to the potential impact of Brexit on currency volatility. As an investment trust with an Asian mandate, the Company's portfolio is unlikely to be adversely impacted as a direct result of Brexit although some currency volatility could arise. The uncertainty surrounding Brexit could impact investor sentiment and could lead to increased or reduced demand for the Company's shares, which would be reflected in a narrowing or widening of the discount at which the Company's shares trade relative to their net asset value.

The Board will continue to monitor developments as they occur.

## Going Concern

In accordance with the FRC's Guidance on Risk Management, Internal Control and Related Financial and Business Reporting, the Directors have undertaken a rigorous review and consider both that there are no material uncertainties and that the adoption of the going concern basis of accounting is appropriate. The Company's assets consist substantially of equity shares in companies listed on recognised stock exchanges and in most circumstances are realisable within a short timescale. The Company has adequate resources to continue in operational existence for the foreseeable future and the ability to meet all its liabilities and ongoing expenses from its assets.

Post the end of the half-year, and as referred to in the Chairman's Statement, the investment landscape has changed completely due to the COVID-19 pandemic. Given that the Company's portfolio comprises primarily "Level One" assets (listed on a recognisable exchange and realisable within a short timescale), and the Company's relatively low level of gearing, the Directors believe that adopting a going concern basis of accounting remains appropriate.

## Responsibility Statement of the Directors in respect of the Half Yearly Financial Report

We confirm that to the best of our knowledge:

- the condensed set of financial statements has been prepared in accordance with FRS 104 Interim Financial Reporting;
- the Interim Board Report (constituting the interim management report) includes a fair review of the information required by:
  - a) DTR 4.2.7R of the Disclosure Guidance 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 year; and
  - b) DTR 4.2.8R of the Disclosure Guidance and Transparency Rules, being related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or performance of the entity during that period; and any changes in the related party transactions described in the last annual report that could do so.

For Asia Dragon Trust plc,  
**James Will,**  
**Chairman**  
20 April 2020

# Ten Largest Investments

As at 28 February 2020



## Tencent Holdings

The internet giant continues to strengthen its ecosystem, and the Manager sees tremendous potential in Tencent's advertising business as it starts monetising its social media and payment platforms.



## Samsung Electronics (Pref)

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



## Taiwan Semiconductor Manufacturing Company

As 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.



## Ping An Insurance 'H'

China's biggest insurer, which is transforming itself from a traditional life insurer into a one-stop for financial services. It harbours ambitions to be a fintech powerhouse.



## AIA Group

The group offers life insurance, accident insurance, health insurance and wealth management solutions to individuals and businesses in the Asia Pacific region.



## Housing Development Finance Corp

Leading domestic mortgage provider with a leading distribution network, cost structure and balance sheet quality.



## Bank Central Asia

Among the largest local private banks in Indonesia, it is well capitalised and has a big and stable base of low-cost deposits that funds its lending, while asset quality has remained solid.



## China Resources Land

A developer and mall owner that is seeing steady returns from its investment property portfolio.



## Oversea-Chinese Banking Corporation

A leading, well-run Singaporean banking group with assets and operations in South East Asia and China.

## Kweichow Moutai 'A'

A distilled Chinese liquor maker, which has a wide domestic business moat supported by strong brand equity.

# Investment Portfolio

At 29 February 2020

Company	Industry	Country	Valuation £'000	Total assets %
Tencent Holdings	Interactive Media & Services	China	51,327	8.6
Samsung Electronics (Pref)	Technology Hardware Storage & Peripherals	South Korea	47,711	8.0
Taiwan Semiconductor Manufacturing Company	Semiconductors & Semiconductor Equipment	Taiwan	44,321	7.4
Ping An Insurance 'H'	Insurance	China	20,993	3.5
AlA Group	Insurance	Hong Kong	18,454	3.1
Housing Development Finance Corp	Thriffs & Mortgage Finance	India	18,085	3.0
Bank Central Asia	Banks	Indonesia	17,295	2.9
China Resources Land	Real Estate Management & Development	China	16,150	2.7
Oversea-Chinese Banking Corporation	Banks	Singapore	14,768	2.5
Kweichow Moutai 'A'	Beverages	China	13,406	2.2
<b>Top ten investments</b>			<b>262,510</b>	<b>43.9</b>
Tata Consultancy	IT Services	India	13,272	2.2
China International Travel Services 'A'	Hotels, Restaurants & Leisure	China	12,299	2.1
Ayala Land	Real Estate Management & Development	Philippines	10,685	1.8
Swire Properties	Real Estate Management & Development	Hong Kong	10,008	1.7
Wuxi Biologics (Cayman)	Life Sciences Tools & Services	China	9,592	1.6
ITC	Tobacco	India	9,588	1.6
Keppel Corp	Industrial Conglomerates	Singapore	8,727	1.5
HDFC Bank	Banks	India	8,537	1.4
SBI Life Insurance	Insurance	India	8,206	1.4
Midea Group 'A'	Household Durables	China	7,986	1.3
<b>Twenty largest investments</b>			<b>361,410</b>	<b>60.5</b>
CNOOC	Oil, Gas & Consumable Fuels	China	7,969	1.3
Ultratech Cement	Construction Materials	India	7,590	1.3
Astra International	Automobiles	Indonesia	7,136	1.2
Kotak Mahindra Bank	Banks	India	7,107	1.2
LG Chem	Chemicals	South Korea	6,747	1.1
DBS Group	Banks	Singapore	6,716	1.1
Hong Kong Exchanges & Clearing	Capital Markets	Hong Kong	6,537	1.1
Jardine Strategic Holdings	Industrial Conglomerates	Hong Kong	6,348	1.1
China Conch Venture Holdings	Machinery	China	6,255	1.1
Bank Rakyat	Banks	Indonesia	6,224	1.0
<b>Thirty largest investments</b>			<b>430,039</b>	<b>72.0</b>

## Investment Portfolio Continued

At 29 February 2020

Company	Industry	Country	Valuation £'000	Total assets %
Hangzhou Hikvision Digital 'A'	Electronic Equipment, Instruments & Components	China	6,063	1.0
Saic Motor Corp 'A'	Automobiles	China	6,020	1.0
Siam Cement 'F'	Construction Materials	Thailand	5,969	1.0
City Developments	Real Estate Management & Development	Singapore	5,911	1.0
Shanghai International Airport 'A'	Transport Infrastructure	China	5,779	1.0
ASM Pacific Technology	Semiconductors & Semiconductor Equipment	Hong Kong	5,640	1.0
Vietnam Dairy Products	Food Products	Vietnam	5,638	1.0
Kerry Logistics Network	Air Freight & Logistics	Hong Kong	5,575	0.9
John Keells Holdings	Industrial Conglomerates	Sri Lanka	5,532	0.9
58.com ADR	Interactive Media & Services	China	5,312	0.9
<b>Forty largest investments</b>			<b>487,478</b>	<b>81.7</b>
Bank of Philippine Islands	Banks	Philippines	5,200	0.9
China Merchants Bank 'H'	Banks	India	5,032	0.8
Taiwan Mobile	Wireless Telecommunication Services	Taiwan	4,850	0.8
Huazhu Group ADR	Hotels, Restaurants & Leisure	China	4,839	0.8
Singapore Telecommunications	Diversified Telecommunication Services	Singapore	4,747	0.8
United Overseas Bank	Banks	Singapore	4,513	0.8
Vietnam Technological & Commercial Bank	Banks	Vietnam	4,497	0.8
Koh Young Technology	Semiconductors & Semiconductor Equipment	South Korea	4,367	0.7
Budweiser Brewing	Beverages	Hong Kong	4,297	0.7
CapitaLand	Real Estate Management & Development	Singapore	4,244	0.7
<b>Fifty largest investments</b>			<b>534,064</b>	<b>89.5</b>
Piramal Enterprises	Pharmaceuticals	India	4,239	0.7
Autohome ADR	Interactive Media & Services	China	4,227	0.7
IHH Healthcare Berhad	Health Care Providers & Services	Malaysia	4,205	0.7
Beijing Sinnet Technology 'A'	IT Services	China	4,131	0.7
Indocement Tungal Prakarsa	Construction Materials	Indonesia	3,903	0.7
Raffles Medical Group	Health Care Providers & Services	Singapore	3,824	0.6
Hindustan Unilever	Household Products	India	3,578	0.6
Yum China Holdings	Hotels, Restaurants & Leisure	China	3,071	0.5
Hon Hai Precision Industry	Electronic Equipment, Instruments & Components	Taiwan	3,057	0.5
Prestige Estate Projects	Real Estate Management & Development	India	2,932	0.5
<b>Sixty largest investments</b>			<b>571,231</b>	<b>95.7</b>

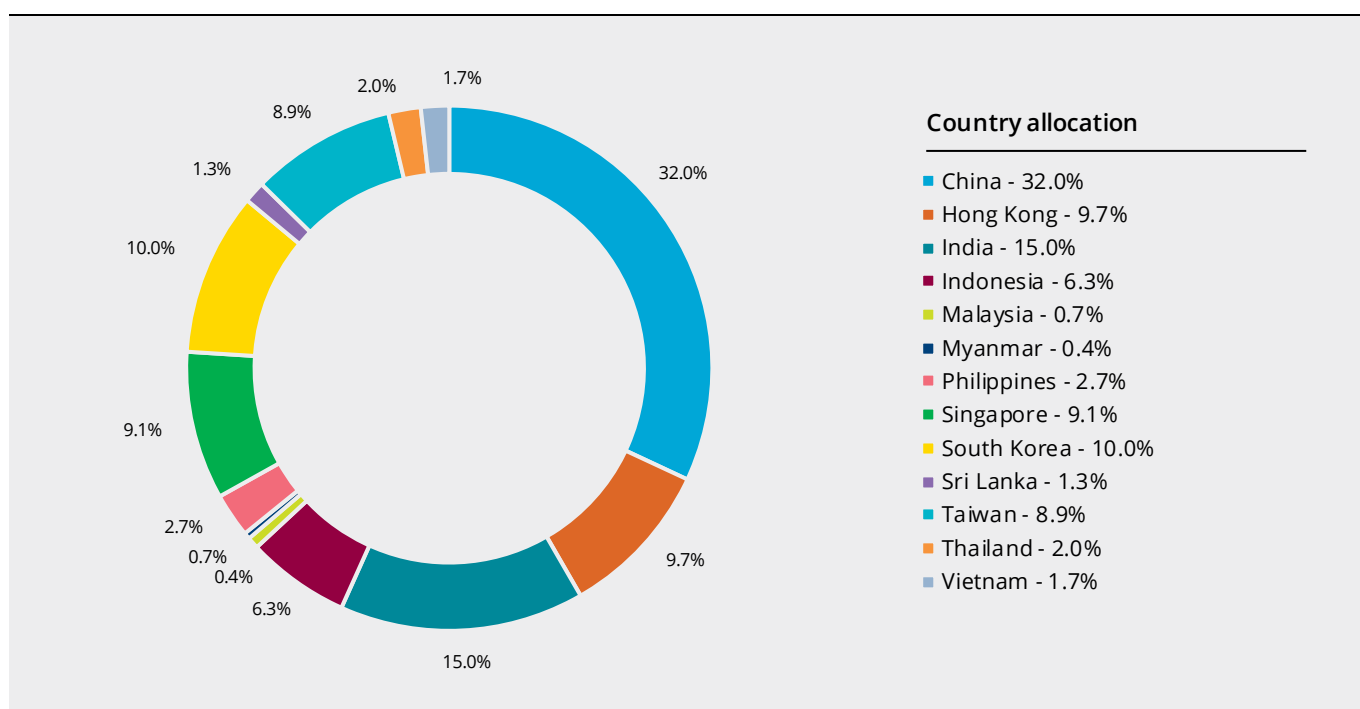
At 29 February 2020

Company	Industry	Country	Valuation £'000	Total assets %
Central Pattana Public Co 'F'	Real Estate Management & Development	Thailand	2,910	0.5
H Bangkok Dusit Medical Services 'F'	Health Care Providers & Services	Thailand	2,812	0.5
Unilever Indonesia	Household Products	Indonesia	2,581	0.4
Yoma Strategic Holdings	Real Estate Management & Development	Myanmar	2,289	0.4
DFCC Bank	Banks	Sri Lanka	2,185	0.4
Meituan-Dianping Class B	Internet & Direct Marketing Retail	China	1,856	0.3
			<b>585,864</b>	<b>98.2</b>
<b>Net current assets<sup>A</sup></b>			<b>10,966</b>	<b>1.8</b>
<b>Total assets less current liabilities<sup>A</sup></b>			<b>596,830</b>	<b>100.0</b>

<sup>A</sup> Excluding bank loan of £6,000,000.

Note: Unless otherwise stated, foreign stock is held and all investments are equity holdings.

### Investment Portfolio by Country



# Investment Case Studies



## Housing Development Finance Corp (HDFC)

HDFC, was founded in 1977 as the first specialised mortgage company in India. Since then, HDFC has grown into one of the biggest providers of mortgage loans in the country, financing more than 7.5 million homes. It also has a presence in banking, life and general insurance and asset management where it holds direct stakes in market leaders. The company has an extensive local distribution network exceeding 500 offices with outreach programmes to several towns and cities all over India. HDFC is managed conservatively with high underlying credit quality. This is illustrated by a conservative loan profile, where the average loan term is 13 years and customers are around 39 years old when they finance their first home. These qualities also make HDFC superior to its peers as a result of the well-managed asset and liability mix.

We also like HDFC's solid management, under the charge of chairman Deepak Parekh and vice-chairman and CEO Keki Mistry. Its growth prospects are underpinned by positive market dynamics, supportive policy and favourable demographics. The housing mortgage market in India is structurally growing but under-penetrated, with mortgages comprising only 10% of gross domestic product. Government support, including incentives for developers to build affordable housing, is likely to improve affordability further. More broadly, the majority of India's population is below 35 years old, underscoring the large potential for home loans. Also, the number of households is rising with a shift towards nuclear families. Rising urbanisation would also boost housing demand. About 32% of the Indian population resides in cities, with that proportion expected to rise to 50% by 2030.



### Kweichow Moutai

Kweichow Moutai produces and sells Maotai or Moutai, known as China's national liquor. Moutai is made from red sorghum and served at state banquets and often presented as a diplomatic gift, cementing its brand leadership. In 1972, for instance, US President Richard Nixon and Chinese Premier Zhou Enlai toasted each other with Maotai at a banquet in the Great Hall of the People in Beijing. Moutai is produced only in the town of Maotai in China's Guizhou province. The baijiu cannot be produced in other parts of China let alone overseas. This is the result of the suitability of the climate, the source of water and locally produced raw materials (sorghum and wheat) and its traditional distillery techniques. This combination gives the liquor its unique taste reminiscent of soy sauce. A bottle of its Flying Fairy which sold in the 1980s for the equivalent of a dollar now retails for US\$450. All this means that Kweichow Moutai has strong brand equity and a long history and rich heritage, which account for its wide domestic business moat.

Since 2017, Kweichow Moutai has overtaken Johnnie Walker-brand owner Diageo to become the world's most valuable liquor company. Moutai has never had a revenue or profit slowdown since 2001 – even during an anti-corruption clampdown in 2012-14. Demand for Moutai has continued to be resilient on the back of a trend towards direct sales and a product that has limited-purchase restrictions. Moutai remains the most desired baijiu brand. More broadly, China today has the world's second-largest economy. Rising wealth and living standards mean the country is moving rapidly to higher value goods and services. The key is identifying companies that can tap into these growing disposable incomes. China's 380 million millennials are earning and spending more than their parents ever did. This increased spending power is driving demand for premium products ranging from electric appliances to cars and high-end liquor like baijiu. These are some of the things people demand as they get richer. In our view, investors should focus on the prospects for Chinese consumers, especially at the premium end. We believe that Kweichow Moutai is well positioned for such a future.



# Condensed Statement of Comprehensive Income (unaudited)

	Note	Six months ended 29 February 2020			Six months ended 28 February 2019		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Losses on investments		-	(15,496)	(15,496)	-	(20,918)	(20,918)
Net currency losses		-	(299)	(299)	-	(1,887)	(1,887)
Income	2	3,639	-	3,639	4,028	-	4,028
Investment management fee		(2,027)	-	(2,027)	(2,220)	-	(2,220)
Administrative expenses		(585)	9	(576)	(527)	-	(527)
<b>Net return/(loss) before finance costs and taxation</b>		<b>1,027</b>	<b>(15,786)</b>	<b>(14,759)</b>	<b>1,281</b>	<b>(22,805)</b>	<b>(21,524)</b>
Interest payable and similar charges		(280)	-	(280)	(226)	-	(226)
<b>Net return/(loss) before taxation</b>		<b>747</b>	<b>(15,786)</b>	<b>(15,039)</b>	<b>1,055</b>	<b>(22,805)</b>	<b>(21,750)</b>
Taxation	3	(394)	(216)	(610)	(442)	393	(49)
<b>Net return/(loss) attributable to equity shareholders</b>		<b>353</b>	<b>(16,002)</b>	<b>(15,649)</b>	<b>613</b>	<b>(22,412)</b>	<b>(21,799)</b>
<b>Return per Ordinary share (pence)</b>	4	<b>0.28</b>	<b>(12.50)</b>	<b>(12.22)</b>	<b>0.35</b>	<b>(12.73)</b>	<b>(12.38)</b>

The total columns of this statement represent the profit and loss account of the Company. There is no other comprehensive income and therefore the return attributable to equity shareholders is also the total comprehensive income for the period.

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

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

# Condensed Statement of Financial Position (unaudited)

	Notes	As at 29 February 2020 £'000	As at 31 August 2019 £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss		585,864	611,829
<b>Current assets</b>			
Debtors and prepayments		2,944	1,818
Money market funds		2,300	1,500
Cash and short term deposits		9,443	8,670
		14,687	11,988
<b>Creditors: amounts falling due within one year</b>			
Other creditors		(3,721)	(1,332)
Bank loan	10	(6,000)	(6,000)
		(9,721)	(7,332)
<b>Net current assets</b>			
		4,966	4,656
<b>Creditors: amounts falling due after more than one year</b>			
Bank loan	10	(24,994)	(24,993)
Deferred tax liability on Indian capital gains	3	(1,951)	(1,784)
		(26,945)	(26,777)
<b>Net assets</b>			
		563,885	589,708
<b>Capital and reserves</b>			
Called-up share capital		31,922	31,922
Share premium account		60,416	60,416
Capital redemption reserve		28,154	28,154
Capital reserve	6	411,857	431,945
Revenue reserve		31,536	37,271
<b>Equity shareholders' funds</b>			
		563,885	589,708
<b>Net asset value per Ordinary share (pence)</b>			
	7	441.39	458.03

# Condensed Statement of Changes in Equity (unaudited)

## Six months ended 29 February 2020

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2019	31,922	60,416	28,154	431,945	37,271	589,708
(Loss)/return after taxation	-	-	-	(16,002)	353	(15,649)
Dividend paid (note 8)	-	-	-	-	(6,088)	(6,088)
Buyback of Ordinary shares for treasury	-	-	-	(4,086)	-	(4,086)
<b>Balance at 29 February 2020</b>	<b>31,922</b>	<b>60,416</b>	<b>28,154</b>	<b>411,857</b>	<b>31,536</b>	<b>563,885</b>

## Six months 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 31 August 2018	43,061	60,416	17,015	630,239	37,288	788,019
(Loss)/return after taxation	-	-	-	(22,412)	613	(21,799)
Dividend paid (note 8)	-	-	-	-	(7,438)	(7,438)
Buyback of Ordinary shares for treasury	-	-	-	(4,939)	-	(4,939)
Buyback of Ordinary shares for cancellation as a result of the Tender Offer	(11,139)	-	11,139	(217,974)	-	(217,974)
<b>Balance at 28 February 2019</b>	<b>31,922</b>	<b>60,416</b>	<b>28,154</b>	<b>384,914</b>	<b>30,463</b>	<b>535,869</b>

# Condensed Statement of Cash Flows (unaudited)

	Six months ended 29 February 2020 £'000	Six months ended 28 February 2019 £'000
<b>Operating activities</b>		
Net return before taxation	(15,039)	(21,750)
Adjustments for:		
Losses on investments	15,496	20,918
Currency losses	299	1,887
Decrease in accrued dividend income	173	231
Decrease/(increase) in other debtors	15	(43)
Decrease in other creditors	(42)	(367)
Interest payable and similar charges	280	226
Stock dividends included in investment income	-	(7)
Overseas withholding tax	(307)	(249)
<b>Cash from operations</b>	<b>875</b>	<b>846</b>
Interest paid	(282)	(240)
<b>Net cash inflow from operating activities</b>	<b>593</b>	<b>606</b>
<b>Investing activities</b>		
Purchases of investments	(67,830)	(55,006)
Sales of investments	79,337	282,906
Capital gains tax on sales	(49)	-
<b>Net cash from investing activities</b>	<b>11,458</b>	<b>227,900</b>
<b>Financing activities</b>		
Equity dividend paid	(6,088)	(7,438)
Buyback of Ordinary shares to treasury	(4,086)	(4,939)
Tender Offer for Ordinary shares inclusive of expenses	(5)	(217,892)
<b>Net cash used in financing activities</b>	<b>(10,179)</b>	<b>(230,269)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>1,872</b>	<b>(1,763)</b>
<b>Analysis of changes in cash and cash equivalents during the period</b>		
Opening balance	10,170	8,775
Effect of exchange rate fluctuations on cash held	(299)	(1,887)
Increase/(decrease) in cash and cash equivalents as above	1,872	(1,763)
<b>Closing balance</b>	<b>11,743</b>	<b>5,125</b>
<b>Represented by:</b>		
Money market funds	2,300	1,500
Cash and short term deposits	9,443	3,625
	<b>11,743</b>	<b>5,125</b>

# Notes to the Financial Statements (unaudited)

## 1. Accounting policies

**Basis of preparation.** The condensed financial statements have been prepared in accordance with Financial Reporting Standard 104 (Interim Financial Reporting) and with the principles of the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies and Venture Capital Trusts'. Given that the Company's portfolio comprises primarily "Level 1" assets (listed on a recognisable exchange and realisable within a short timescale), and the Company's relatively low level of gearing, the Directors believe that adopting a going concern basis of accounting remains appropriate. The condensed financial statements have also been prepared on the assumption that approval as an investment trust will continue to be granted by HMRC.

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

## 2. Income

	Six months ended 29 February 2020 £'000	Six months ended 28 February 2019 £'000
<b>Income from investments</b>		
UK dividend income	38	447
Overseas dividends	3,582	3,537
	3,620	3,984
<b>Other income</b>		
Deposit interest	8	17
Interest from money market funds	9	27
Other income	2	-
	19	44
<b>Total income</b>	<b>3,639</b>	<b>4,028</b>

## 3. Taxation.

The taxation for the period represents withholding tax suffered on overseas dividend income and a movement in provision for Indian Capital Gains Tax.

An amount of £394,000 of withholding tax was suffered in the six months to 29 February 2020 (28 February 2019 – £442,000). The Indian Capital Gains Tax accrual has increased by £167,000 (28 February 2019 – reduction of £393,000) since the year end with a balance outstanding at 29 February 2020 of £1,951,000 (28 February 2019 – £933,000).

## 4. Return per Ordinary share

	Six months ended 29 February 2020 p	Six months ended 28 February 2019 p
<b>Basic</b>		
Revenue return	0.28	0.35
Capital return	(12.50)	(12.73)
<b>Total return</b>	<b>(12.22)</b>	<b>(12.38)</b>

The figures above are based on the following:

	£'000	£'000
Revenue return	353	613
Capital return	(16,002)	(22,412)
<b>Total return</b>	<b>(15,649)</b>	<b>(21,799)</b>
<b>Weighted average number of Ordinary shares in issue</b>	<b>128,111,741</b>	<b>176,131,021</b>

The Company has no securities in issue that could dilute the return per Ordinary share. Therefore, for the six months ended 29 February 2020 (28 February 2019 -same) no diluted calculation is provided.

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

	Six months ended 29 February 2020 £'000	Six months ended 28 February 2019 £'000
Purchases	113	85
Sales	127	502
	<b>240</b>	<b>587</b>

In the six months ended 28 February 2019, the transaction costs were higher due to the increased volume of trading ahead of the Tender Offer.

6. **Capital reserves.** The capital reserve reflected in the Condensed Statement of Financial Position at 29 February 2020 includes gains of £162,996,000 (31 August 2019 – £199,349,000) which relate to the revaluation of investments held at the reporting date.

# Notes to the Financial Statements (unaudited) continued

7. **Net asset value.** The net asset value per share and the net assets attributable to the Ordinary shareholders at the period end were as follows:

	As at 29 February 2020	As at 31 August 2019
Net assets attributable (£'000)	563,885	589,708
Number of Ordinary shares in issue <sup>A</sup>	127,753,054	128,748,848
Net asset value per share (pence)	441.39	458.03

<sup>A</sup> Excluding shares held in treasury.

8. **Dividends**

	Six months ended 29 February 2020	Six months ended 28 February 2019
	£'000	£'000
2018 final dividend – 4.00p	–	7,438
2019 final dividend – 4.75p	6,088	–
	<b>6,088</b>	<b>7,438</b>

There will be no interim dividend for the year to 31 August 2020 (2019 – nil) as the objective of the Company is long-term capital appreciation.

9. **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.

All of the Company's investments are in quoted equities (31 August 2019 – same) which are actively traded on recognised stock exchanges, with their fair value being determined by reference to their quoted bid prices at the reporting date. The total value of the investments as at 29 February 2020 of £585,864,000 (31 August 2019 – £611,829,000) has therefore been deemed as Level 1.

10. **Bank loans.** The Company has a £25,000,000 multicurrency revolving facility with Scotiabank Europe Plc. This agreement was entered into on 30 July 2019 with a termination date of 29 July 2022. At 29 February 2020, £6,000,000 of this facility has been drawn down at a rate of 1.623% which matures on 28 May 2020.

The Company has a fixed loan facility agreement of £25,000,000 at an interest rate of 1.61% with Scotiabank Europe Plc, with a termination date of 29 July 2022. The agreement of this facility incurred an arrangement fee of £7,500, which is being amortised over the life of the loan.

The agreements contain the following covenants:

- the net asset value of the Company shall not at any time be less than £385 million.
- the adjusted asset coverage of the Company, as defined in the loan facility agreement, shall not at any time be less than 4.00 to 1.00.

All covenants have been complied with throughout the period.



11. **Called-up share capital.** In the six months to 29 February 2020, the Company bought back 995,794 (28 February 2019 – 1,375,330) Ordinary shares to be held in treasury, at a total cost of £4,086,000 (28 February 2019 – £4,939,000).

At the end of the period there were 159,611,677 (28 February 2019 – 159,611,677) Ordinary shares in issue, of which 31,858,623 (28 February 2019 – 29,741,274) were held in treasury.

Following the period end a further 35,279 Ordinary shares have been bought back for treasury at a cost of £142,430 including expenses, resulting in there being 159,611,677 Ordinary shares in issue, of which 31,893,902 Ordinary shares were held in treasury at the date this Report was approved.

12. **Analysis of changes in net debt**

	At 31 August 2019 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 29 February 2020 £'000
Cash and short term deposits	10,170	(299)	1,872	-	11,743
Debt due within one year	(6,000)	-	-	-	(6,000)
Debt due after more than one year	(24,993)	-	-	(1)	(24,994)
	(20,823)	(299)	1,872	(1)	(19,251)

	At 31 August 2018 £'000	Currency differences £'000	Cash flows £'000	Non-cash movements £'000	At 28 February 2019 £'000
Cash and short term deposits	8,775	(1,887)	(1,763)	-	5,125
Debt due within one year	(25,500)	-	-	-	(25,500)
	(16,725)	(1,887)	(1,763)	-	(20,375)

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.

13. **Related party transactions and transactions with the Manager.** The Company has an agreement with Aberdeen Standard Fund Managers Limited ("ASFML" or the "Manager") for the provision of management and administration services, promotional activities and secretarial services.

The management fee for the six months ended 29 February 2020 is calculated at 0.85% per annum of net assets up to £350 million and 0.50% per annum of net assets over this threshold. Management fees are calculated and payable on a quarterly basis. The management fee is chargeable 100% to revenue. During the period £2,027,000 (28 February 2019 – £2,220,000) of management fees were payable to the Manager, with a balance of £1,011,000 (28 February 2019 – £976,000) due to ASFML at the period end.

The management agreement is terminable by the Company on three months' notice or in the event of a change of control in the ownership of the Manager. The notice period required to be given by the Manager is six months.

At the end of the period the Company had £2,300,000 (28 February 2019 – £1,500,000) invested in Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund which is managed and administered by Aberdeen Standard Investments. The Company pays a management fee on the value of these holdings but no fee is chargeable at the underlying fund level.

# Notes to the Financial Statements (unaudited) continued

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Promotional activities costs are based on current annual amount of £200,000 (28 February 2019 – £200,000), payable quarterly in arrears. During the period £100,000 (28 February 2019 – £100,000) of fees were payable, with a balance of £33,000 (28 February 2019 – £33,000) being due at the period end.

14. **Segmental information.** The Company is engaged in a single segment of business, which is to invest in equity securities. All of the Company's activities are interrelated, and each activity is dependent on the others. Accordingly, all significant operating decisions are based on the Company as one segment.
15. **Subsequent events.** Subsequent to the year end, the Company's NAV has suffered as a result of a decline in stockmarket values, primarily due to the COVID-19 pandemic. This is considered to be a non-adjusting event for the financial statements. At the date of this Report the latest NAV per share was 408.24p as at the close of business on 17 April 2020, a decline of 7.5% compared to the NAV per share of 441.39p at the period end.
16. **Half-Yearly Financial Report.** The financial information contained in this Half-Yearly Financial Report does not constitute statutory accounts as defined in Sections 434 – 436 of the Companies Act 2006. The financial information for the six months ended 29 February 2020 and 28 February 2019 has not been audited. The Company's external auditor, KPMG LLP has not reviewed the financial information for the six months ended 29 February 2020.

The information for the year ended 31 August 2019 has been extracted from the latest published audited financial statements which have been filed with the Registrar of Companies. The report of the auditor on those accounts contained no qualification or statement under Section 498(2) or (3) of the Companies Act 2006.

17. This Half-Yearly Financial Report was approved by the Board on 20 April 2020.
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## Alternative Performance Measures

Alternative Performance Measures (“APMs”) 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.** 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 net dividend in the NAV of the Company with debt at fair value on the date on which that dividend goes ex-dividend. Share price total return involves reinvesting the net dividend in the share price of the Company on the date on which that dividend goes ex-dividend.

The tables below provide information relating to the NAVs and share prices of the Company on the dividend reinvestment dates during the six months ended 29 February 2019 and 28 February 2018 and total return for the period.

	Dividend rate	NAV	Share price
<b>2020</b>			
31 August 2019	N/A	458.03p	402.50p
21 November 2019	4.75p	445.34p	396.50p
29 February 2020	N/A	441.39p	390.00p
<b>Total return</b>		<b>-2.6%</b>	<b>-1.9%</b>

	Dividend rate	NAV	Share price
<b>2019</b>			
31 August 2018	N/A	421.54p	370.00p
22 November 2018	4.00p	387.05p	347.00p
28 February 2019	N/A	412.62p	402.50p
<b>Total return</b>		<b>+1.2%</b>	<b>-1.1%</b>

**Discount to net asset value per Ordinary share.** The difference between the share price of 390.00p (31 August 2019 – 402.50p) and the net asset value per Ordinary share of 441.39p (31 August 2019 – 458.03p) expressed as a percentage of the net asset value per Ordinary share.

**Net gearing.** Net gearing measures the total borrowings of £30,994,000 (31 August 2019 – £30,993,000) less cash and cash equivalents of £10,720,000 (31 August 2019 – £10,186,000) divided by shareholders’ funds of £563,885,000 (31 August 2019 – £589,708,000), expressed as a percentage. Under AIC reporting guidance cash and cash equivalents includes net amounts due to brokers at the period end of £1,023,000 (31 August 2019 – due from brokers – £16,000) as well as cash and cash equivalents of £11,743,000 (31 August 2019 – £10,170,000).

## Alternative Performance Measures Continued

**Ongoing charges.** 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. The ratio for 28 February 2020 is based on forecast ongoing charges for the year ending 31 August 2020.

	28 February 2020	31 August 2019
Investment management fees (£'000)	4,049	4,272
Administrative expenses (£'000)	1,122	1,040
Less: non-recurring charges (£'000)	(28)	(13)
<b>Ongoing charges (£'000)</b>	<b>5,143</b>	<b>5,299</b>
<b>Average net assets (£'000)</b>	<b>576,001</b>	<b>638,726</b>
<b>Ongoing charges ratio</b>	<b>0.89%</b>	<b>0.83%</b>

The ongoing charges ratio 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.

# Investor Information

## How to Invest

Investors can buy and sell shares in Asia Dragon Trust plc (the "Company") directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Many have online facilities. Alternatively, for retail clients, shares may be bought directly through Aberdeen Standard Investment Trust Share Plan, Individual Savings Account ("ISA") or Investment Plan for Children.

## Aberdeen Standard Investment Trust Share Plan

Aberdeen Standard Investments operates an Investment Trust Share Plan (the "Plan") through which shares in the Company can be purchased. There are no dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250, while regular savers may invest from £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable on purchases. Selling costs are £10+ VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

## Aberdeen Standard Investment Trust ISA

Aberdeen Standard Investments operates an Investment Trust ISA ("ISA") through which an investment made be made of up to £20,000 in the tax year 2020/21.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases where applicable. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated annually and deducted on 31 March (or the last business day in March) either by direct debit or, if there is no valid direct debit mandate in place, from the available cash in the Plan prior to the distribution or reinvestment of any income, or, where there is insufficient cash in the Plan, from the sale of investments held in the Plan. Under current legislation, investments in ISAs can grow free of capital gains tax.

## ISA Transfer

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

## Aberdeen Standard Investment Plan for Children

Aberdeen Standard Investments operates an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan (subject to the eligibility criteria as stated within the terms and conditions), including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) where applicable on purchases. Selling costs are £10+VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing Aberdeen Standard Investments in writing at any time.

## Nominee Accounts and Voting Rights

In common with other schemes of this type, all investments in the Aberdeen Standard Investment Trust Share Plan, Investment Trust ISA or Investment Plan for Children are held in nominee accounts and investors have full voting and other rights of share ownership.

## Dividend Tax Allowance

The annual tax-free personal allowance for dividend income, for UK investors, is £2,000 for the 2020/21 tax year. Above this amount, individuals will pay tax on their dividend income at a rate dependent on their income tax bracket and personal circumstances. The Company will continue to provide registered shareholders with a confirmation of dividends paid by the Company and this should be included with any other dividend income received when calculating and reporting to HMRC total dividend income received. It is the shareholder's responsibility to include all dividend income when calculating any tax liability.

## Note

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

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

## Investor Information Continued

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Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs, may be changed by future legislation.

### Keeping You Informed

The Company's share price can be found in the Financial Times under the heading 'Investment Companies' and information of the Company may be found on its dedicated website ([www.asiadrragon.co.uk](http://www.asiadrragon.co.uk)) and the TrustNet website ([www.trustnet.co.uk](http://www.trustnet.co.uk)). This provides access to information on the Company's share price performance, capital structure, London Stock Exchange announcements, current and historic Annual and Half-Yearly Reports, and the latest monthly factsheet on the Company issued by the Manager.

Details on the Company or literature and application forms on Aberdeen Standard Investments managed savings products can be found:

Website: [www.inltrusts.co.uk](http://www.inltrusts.co.uk)

Email: [inv.trusts@aberdeenstandard.com](mailto:inv.trusts@aberdeenstandard.com)

Tel: **0808 500 0040**

Address: Aberdeen Standard Investment Trusts, PO Box 11020, Chelmsford, Essex CM99 2DB

Terms and conditions for the Aberdeen Standard investment trust products can be found under the Literature section of this website.

### Company's Registrars

Alternatively, if you have an administrative query which relates to a direct holding, please contact the Company's Registrar, as follows:

Equiniti Limited  
Aspect House  
Spencer Road  
Lancing  
West Sussex BN99 6DA

Shareholder helpline: **0371 384 2499**

Shareview enquiry line: **0371 384 2020**

Textel/hard of hearing: **0371 384 2255**

Overseas helpline: **+44 (0) 121 415 7047**

(Lines open 8.30am to 5.30pm, Monday to Friday excluding bank holidays. Charges for calling telephone numbers starting with '03' are determined by the caller's service provider).

### Pre-investment Disclosure Document ("PIDD")

The AIFMD requires Aberdeen Fund Managers Limited, as the alternative investment fund manager of the Company, to make available to investors certain information prior to such investors' investment in the Company.

The Company's PIDD is available for viewing on its website.

### Key Information Document ("KID")

The KID relating to the Company and published by the Manager can be found on the Manager's website at:

[invtrusts.co.uk/en/investmenttrusts/literature-library](http://invtrusts.co.uk/en/investmenttrusts/literature-library).

### Suitable for Retail/NMPI Status

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

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

The Company's securities are not subject to the FCA's restrictions which apply to non-mainstream pooled investment products because they are shares in an investment trust.

### Online Dealing providers and platforms

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

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

### 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 & Financial Advice Association at: [pimfa.co.uk](http://pimfa.co.uk).

### Financial Advisers

To find an adviser who recommends on investment trusts, visit: [unbiased.co.uk](http://unbiased.co.uk)

### Regulation of Stockbrokers

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

Tel: **0800 111 6768** or

Website: [fca.org.uk/firms/systems-reporting/register/search](http://fca.org.uk/firms/systems-reporting/register/search)

Email: [register@fca.org.uk](mailto:register@fca.org.uk)

### Investor Warning: Be alert to share fraud and boiler room scams

Aberdeen Standard Investments has been contacted by investors informing us that they have received telephone calls and emails from people who have offered to buy their investment company shares, purporting to work for Aberdeen Standard Investments or for third party firms. Aberdeen Standard Investments has also been notified of emails claiming that certain investment companies under their management have issued claims in the courts against individuals. These may be scams which attempt to gain your personal information with which to commit identity fraud or could be 'boiler room' scams where a payment from you is required to release the supposed payment for your shares. These callers/senders do not work for Aberdeen Standard Investments and any third party making such offers/claims has no link with the Aberdeen Standard Investments.

Aberdeen Standard Investments does not 'cold-call' investors in this way. If you have any doubt over the veracity of a caller, do not offer any personal information, end the call and contact its Customer Services Department using the above details.

The Financial Conduct Authority provides advice with respect to share fraud and boiler room scams at:

[fca.org.uk/consumers/scams](http://fca.org.uk/consumers/scams)

*The above information has been approved for the purposes of Section 21 of the Financial Services and Markets Act 2000 2000 (as amended by the Financial Services Act 2012) by Aberdeen Standard Fund Managers Limited which is authorised and regulated by the Financial Conduct Authority.*





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# Corporate Information

## Directors

James Will (Chairman)  
 Gaynor Coley  
 Kathryn Langridge  
 Peter Maynard  
 Iain McLaren  
 Charlie Ricketts

## Manager, Secretary and Registered Office

Alternative Investment Fund Manager  
 Aberdeen Standard Fund Managers Limited  
 Bow Bells House  
 1 Bread Street  
 London EC4M 9HH

Website: [www.aberdeenstandard.com](http://www.aberdeenstandard.com)  
 (authorised and regulated by the Financial Conduct Authority)

## Investment Manager

Aberdeen Standard Investments (Asia) Limited  
 (a subsidiary of Standard Life Aberdeen plc which is authorised and regulated by the Financial Conduct Authority)

## Secretary and Registered Office

Aberdeen Asset Managers Limited  
 (a subsidiary of Standard Life Aberdeen plc)  
 1 George Street  
 Edinburgh EH2 2LL

## Auditor

KPMG LLP  
 Saltire Court  
 20 Castle Terrace  
 Edinburgh EH1 2EG

## Registrars

Equiniti  
 Aspect House  
 Spencer Road  
 Lancing  
 West Sussex BN99 6DA

Telephone: 0371 384 2499  
 Website: [www.equiniti.com](http://www.equiniti.com)

(\* Lines open 8.30 a.m. to 5.30 p.m., Monday to Friday excluding bank holidays. Charges for calling telephone numbers starting with '03' are determined by the caller's service provider.)

## Depositary

BNP Paribas Securities Services, London Branch  
 10 Harewood Avenue  
 London NW1 6AA

## Company Broker

Winterflood Securities  
 The Atrium Building  
 Cannon Bridge  
 25 Dowgate Hill  
 London EC4R 2GA

## Foreign Account Tax Compliance Act ("FATCA") Registration Number (GIIN)

IRS Registration Number (GIIN): 2WA1VW.99999.SL.826

## Company Registration Number

SC106049

## Legal Entity Identifier

549300W4KB0D75D1N730

## Website

[www.asiadragon.co.uk](http://www.asiadragon.co.uk)

## Pre-investment Disclosure Document (PIDD)

The Alternative Investment Fund Managers Directive ("AIFMD") requires Aberdeen Standard Fund Managers Limited, as the alternative investment fund manager of Edinburgh Dragon Trust plc ("the Company"), to make available to investors certain information prior to such investors' investment in the Company. The AIFMD is intended to offer increased protection to investors in investment products that do not fall under the existing European Union regime for regulation of investment products known as the UCITS regime.

The Company's PIDD is available for viewing on the Company's website.



