

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt about the action you should take, you should immediately consult your stockbroker, bank manager, solicitor, accountant or other appropriately qualified independent financial adviser, authorised under the Financial Services and Markets Act 2000 (as amended) (“FSMA”) if you are in the United Kingdom, or from another appropriately authorised independent financial adviser if you are in a territory outside of the United Kingdom.

If you have sold or otherwise transferred all of your Shares in Aberdeen Standard Asia Focus PLC (the “**Company**”) you should pass this document (but not any Form of Proxy) as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

This document does not constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell, or otherwise dispose of, any security. This document does not constitute a prospectus or prospectus equivalent document.

Aberdeen Standard Fund Managers Limited (“**AFML**”), authorised and regulated by the Financial Conduct Authority, has been appointed as alternative investment fund manager to the Company. AFML has in turn delegated portfolio management to abrdn Asia Ltd (“**abrdn**”).

The Directors of the Company, whose names appear on page 3 of this Circular, and the Company itself, accept responsibility for the information contained in this Circular. To the best of the knowledge of the Directors and the Company (who have taken all reasonable care to ensure that such is the case), the information contained in this Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

ABERDEEN STANDARD ASIA FOCUS PLC

(Incorporated in England and Wales with registered number 03106339)

(An investment company within the meaning of section 833 of the Companies Act 2006)

Recommended proposals for (i) the adoption of a new investment policy; (ii) adoption of a new enhanced dividend policy; (iii) amendments to the Company's articles of association; and (iv) share split of every one 25 pence share in the capital of the Company into five 5 pence shares

and

Notice of General Meeting

Notice of a general meeting of the Company to be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on 27 January 2022 at 10:10 a.m. (or, if later, five minutes following the conclusion of the AGM) is set out at the end of this document.

In light of the prominence of the Omicron variant of COVID-19 at the time of publication of this Circular and the UK Government's work from home advice, and in the interests of the health and safety of the Company's Shareholders and others in attendance at the General Meeting, the Company plans to hold the General Meeting with the minimum attendance required to form a quorum. Shareholders are strongly discouraged from attending the General Meeting in person.

The Company strongly encourages Shareholders to appoint the Chairman as their proxy to ensure their vote is registered. Please complete and submit a proxy form for use by Shareholders in accordance with the

instructions on the enclosed form. The Form of Proxy must be completed and signed and returned to Equiniti Limited at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so that it is received no later than 10:10 a.m. on 25 January 2022. Investors holding shares through the abrdn Investment Plan for Children, Investment Trust Share Plan or ISA will have received with this document a Letter of Direction which must be completed and returned in accordance with the instructions printed on it not later than 5:00 p.m. on 20 January 2022.

The distribution of this document, together with accompanying documents, into jurisdictions other than the United Kingdom may be restricted by law. Persons into whose possession such documents come should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of such jurisdiction. Neither this document nor any copy of it may be distributed directly or indirectly to any persons in any other country outside the United Kingdom where such distribution may lead to a breach of any legal or regulatory requirement.

This document should be read as a whole. Your attention is drawn to the letter from the Chairman of the Company which is set out on pages 3 to 10 of this Circular and which recommends that you vote in favour of the Resolutions to be proposed at the General Meeting. Your attention is also drawn to the section entitled “Action to be Taken” on page 9 of this Circular.

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EXPECTED TIMETABLE

2022

Online Shareholder Presentation	11:00 a.m. on Wednesday 19 January
Latest time and date for receipt of Forms of Proxy for the General Meeting from Shareholders	10:10 a.m. on Tuesday 25 January
AGM	10:00 a.m. on Thursday 27 January
General Meeting	10:10 a.m. on Thursday 27 January <i>(or, if later, five minutes following the conclusion of the AGM)</i>
Results of General Meeting announced	Thursday 27 January
Last day for dealings in Existing Ordinary Shares	Thursday 3 February
Record date for the Share Split and disablement in CREST of the existing ISIN for settlement	6.00 p.m. on Thursday, 3 February
Listing and Admission in the New Ordinary Shares expected to commence	8.00 am on Friday 4 February
Expected date for crediting CREST accounts with New Ordinary Shares (where applicable)	On or soon after 8.00 am on Friday 4 February
Expected date by which certificates in respect of New Ordinary Shares are to be dispatched to certificated shareholders	By Friday 18 February

Notes:

1. References to times in this document are to London time.
2. The dates set out in the expected timetable may be adjusted by the Company, in which event details of the new dates will be notified to Shareholders by an announcement made by the Company through a Regulatory Information Service.

PART 1

LETTER FROM THE CHAIRMAN

ABERDEEN STANDARD ASIA FOCUS PLC

(Incorporated in England and Wales with registered number 03106339)

(An investment company within the meaning of section 833 of the Companies Act 2006)

Directors:

Nigel Kenneth Cayzer (*Chairman*)
Charlotte Mary Black
Deborah Jane Guthrie
Randal Alexander St John McDonnell
Krishna Shanmuganathan

Registered office:

Bow Bells House
1 Bread Street
London

EC4M 9HH

11 January 2022

Dear Shareholder

Introduction and overview

As announced on 30 November 2021, the Board of Aberdeen Standard Asia Focus PLC (the "**Company**") has conducted a comprehensive review of the Company's long-term strategy to ensure that the investment policy captures the immense opportunities that exist in the Asian small cap market. This applies to both South Asia but also North Asia with the emergence of China as the world's second largest economy and fast expanding stock markets to match.

As part of the Strategic Review, the Board also addressed the issue of how to make the Company more competitive whilst giving shareholders, and in particular retail investors, a more meaningful participation in the Company's ongoing success. The Board believes that the measures outlined in its announcement and proposed below will assist in the marketability of the Company's Shares, thus increasing the potential to narrow the discount to net asset value, to the benefit of all Company stakeholders.

During the course of the Strategic Review, the Board consulted with abrdn, outside specialists in the Asian markets and the Company's major Shareholders.

The purpose of this Circular is to set out the background to and reasons for those of the Board's proposals which require Shareholder approval, namely its Proposals to:

- i. amend the Company's Investment Policy;
- ii. adopt the Company's enhanced New Dividend Policy;
- iii. amend the Company's Articles in order to provide flexibility to pay dividends out of capital profits in the future, and refresh the Articles more generally, including in connection with the running of Shareholder meetings following the recent pandemic; and
- iv. enact a five for one Share split,

and to further explain why the Board recommends you vote in favour of the Resolutions to be proposed at the General Meeting.

The Proposals are described in more detail in the remainder of this letter.

Outcome of the Strategic Review

As announced on 30 November 2021, as well as the Proposals outlined above and which are detailed in this Circular, the outcome of the Strategic Review also includes:

- a) changes to the Company's management team, in particular the addition of Flavia Cheong, abrdn's Head of Equities, Asia Pacific, as joint lead manager, and Neil Sun as an investment manager directly responsible for managing the potential increased weighting in North Asia. They will work alongside Hugh Young and Gabriel Sacks to bolster the investment management team to reflect the increasing importance of China;
- b) agreement with abrdn to amend the Company's management fee from 0.96% per annum of the Company's market capitalisation to a new, tiered management fee of 0.85% per annum for the first £250 million of the Company's market capitalisation, 0.6% per annum for the next £500 million, and 0.5% per annum for market capitalisation of £750 million and above; and
- c) the Board's commitment to introducing a performance-linked tender offer, which shall provide that, in the event of underperformance of the NAV per Share versus the MSCI AC Asia ex Japan Small Cap Index over a five-year period commencing 1 August 2021, Shareholders will be offered the opportunity to realise a proportion of their holding for cash at a level close to NAV less costs of the tender offer. The tender offer would be capped at a maximum of 25% of the issued share capital of the Company at that time.

The change in the Company's management fee will be conditional on Shareholder approval of the Proposals outlined in this Circular and will be backdated as if it had been effective from 1 August 2021. The introduction of the Future Tender Offer will also be conditional on Shareholder approval of the Proposals.

The introductions of certain Proposals outlined in this Circular, including but not limited to the adoption of the New Investment Policy, are also conditional on the FCA's approval of an AIFMD Material Change Notification as submitted to the FCA by abrdn on or around the date of this Circular.

The Board has also taken this opportunity to consider the Company's objective, its historic return profile, the changes being proposed and its expectations for the Company's expected long-term sources of return. As a result, and in accordance with the AIC SORP, the Company will be allocating a proportion of its finance costs and management fees to the capital account. Whereas historically these have been allocated 100% to revenue, going forward, for the year commencing 1 August 2021, these will be allocated 75% to revenue and 25% to capital.

Benefits of the Proposals

The Board believes that the Proposals will have the following key benefits:

- (i) By amending the Investment Policy, allow for more flexibility to invest in small growth companies across Asia. The changes to the Company's management team will complement this;
- (ii) By increasing the target dividend and aiming to maintain the Company's progressive dividend policy of the last 25 years (including with the flexibility to pay dividends out of capital reserves where merited), provide investors with an enhanced, regular level of income alongside capital growth amid the current low interest rate environment;
- (iii) By introducing the new tiered management fee (which is conditional on the successful implementation of the Proposals), reduce the running costs of the Company;
- (iv) By introducing the Share Split, increase the marketability of the Company's Ordinary Shares for small investors; and
- (v) By implementing the Future Tender Offer (which is conditional on the successful implementation of the Proposals), provide Shareholders with a partial exit opportunity if the Company's performance does not exceed the MSCI AC Asia ex Japan Small Cap Index over the five-year period commencing 1 August 2021.

Change of investment objective and policy

As explained in the following paragraphs, the Company is proposing to make the following changes to its Current Investment Policy:

- a) Removing the market capitalisation upper limit of \$1.5 billion in its investment objective;
- b) Removing Australasia from the Investment Region, so no new investments will be made in Australasia; and
- c) Various more minor amendments as set out in the blackline between the Current Investment Policy and the New Investment Policy in Part 2 of the Circular.

The Company's Current Investment Policy limits new investment into companies that have a market capitalisation of below approximately US\$1.5 billion. The Board strongly believes this threshold is overly restrictive, limiting the Company's portfolio managers from investing in various small-cap high-growth companies, particularly in larger markets like China and India. As a result, the Board proposes to remove this market capitalisation limit from its investment objective while stressing that the Company's portfolio will remain a small company portfolio. The Company's portfolio managers will continue to seek out small companies capable of delivering strong capital growth.

The Company will continue to focus on offering investors exposure to attractive small, quoted companies in Asia that have excellent prospects for strong growth in shareholder value, good balance sheets and skilled, experienced management. The success of this policy has been demonstrated over the last 26 years, where £1,000 invested in the Company in 1995 is now worth approximately £22,900 (based on share price at close on the Latest Practicable Date with dividends reinvested). Dividends (including special dividends) paid to Shareholders have increased from 1.2 pence per Ordinary Share in 1996 to 16.0 pence in 2021. The Board and abrdn believe that continued focus on this area of the market will deliver strong growth over the medium to long term.

Over the same period, the stock markets of the region have developed from small emerging markets to some of the largest in the world. Therefore, the Board believes it is necessary to make changes to the Company's Current Investment Policy to ensure abrdn can continue to invest in companies that can deliver the best returns for shareholders and not to be inhibited by the enormous difference in the relative size of the Asian markets. The definition of a small cap company varies from market to market with China and India at one end of the scale and very small markets, like Sri Lanka, at the opposite end.

Historically, the Company has had limited investments in Australasia and the Board does not believe the outlook for this region offers the same growth prospects as other parts of Asia. Therefore, the Board proposes amending the Current Investment Policy so no new investments will be made in Australasia. The Company currently has three holdings in Australasia and the Company's portfolio managers do not currently intend to dispose of these should Shareholders approve the change in Current Investment Policy.

The changes between the Current Investment Policy and the New Investment Policy, including a blackline between the two, are set out in full in Part 2 of this Circular.

The Listing Rules require any proposed material changes to the Company's published Current Investment Policy to be submitted to the FCA for prior approval. The FCA has approved the New Investment Policy.

The Listing Rules also require Shareholder approval prior to any material changes being made to the Company's Current Investment Policy; this approval is sought at the General Meeting by way of Resolution 1. Any future material changes to the New Investment Policy will also require the prior approval of Shareholders.

Enhanced new dividend policy

The Company's aim remains to provide long-term capital growth but the Board notes that some investors are looking for a regular level of income alongside capital growth, particularly in the current low interest rate environment.

The Board is therefore proposing to increase the level of target dividends paid by the Company. Under this new dividend policy (the "**New Dividend Policy**"), the Board aims to set a target dividend of 32.0 pence per Ordinary Share for the financial year ending 31 July 2022 and aims to progressively grow it thereafter. This would represent a 100% increase in the dividend based on the 16.0 pence per Ordinary Share recommended in the financial year ending 31 July 2021. This target dividend would be paid in equal quarterly instalments.¹

Shareholder approval is sought to the Company's proposed new dividend policy by way of Resolution 2 at the General Meeting.

As outlined under *Amendments to articles of association* below, the Board also proposes to amend the Articles by way of Resolution 4, which includes a proposal to remove the current prohibition on distribution of capital profits. This is designed to provide the Company with flexibility to use capital reserves in the future where required to maintain the new dividend policy.

Any such use of capital reserves and/or capital profits during the period while the CULS remain in existence would either require CULS Holder or Trustee consent or an adjustment to the price at which the CULS convert into Shares. The Company does not currently intend to pay dividends out of capital reserves and/or capital profits. For the period to 2025 (when any CULS still in existence will be repaid), the Company expects to meet its New Dividend Policy out of current year income and income reserves.

If the Proposals are approved at the General Meeting, the Company intends to declare in February 2022 an initial target dividend of 16.0 pence per Ordinary Share (or 3.2 pence per New Ordinary Share following the Share Split) relating to the 6-month period from 1 August 2021 to 31 January 2022 and thereafter 8.0 pence per Ordinary Share (or 1.6 pence per New Ordinary Share following the Share Split) per quarter. In the current year, the Company anticipates that this targeted level of dividend would be paid out of current income and existing revenue reserves.

The Company's dividend record is very strong with the ordinary dividend having been maintained or increased in 24 out of 25 years. While the proposed enhancement to the dividend would mean that in future it is unlikely the Company will be paying special dividends, the Board will aim to maintain its progressive approach albeit off a higher base (subject, always, to having sufficient income and reserves). The Board does not intend that there should be any alteration to how the portfolio managers select stocks for the portfolio as a result of this change.

Amendments to articles of association

The Board proposes the Company adopt a new set of articles of association in substitution for the Existing Articles of Association. A summary of the proposed changes is as follows:

- a) To remove the current prohibition on using capital reserves to pay dividends, to provide flexibility to pay dividends out of capital profits where merited as explained in *Enhanced new dividend policy* above;
- b) To provide for the holding of virtual or hybrid Shareholder meetings, as well as for health and safety measures at in person meetings, and postponement of meetings, all as flexibility given the experience during the recent pandemic (although the Board will not hold virtual meetings in the absence of Government guidance preventing in person meetings);

¹ Note that, if the Share Split is approved at the General Meeting, the proposed target dividend of 32.0 pence per Existing Ordinary Share of 25p each would become 6.4 pence per New Ordinary Share of 5p each.

- c) To increase the limit on ordinary remuneration of the Directors from £225,000 (as approved at the Company's annual general meeting in December 2013) to £275,000 per annum, in order to allow for orderly board succession planning and any short-term overlap; and
- d) To update the Existing Articles in other minor ways in order to reflect best practice (the last such update having happened in 2014). Such updates include, but are not limited to:
 - i. amendments in response to the requirements of the AIFM Rules (such amendments do not change the Company's current processes, rather they narrate the minimum requirements of the AIFM Rules);
 - ii. permitting execution of documents by electronic means, where the situation allows;
 - iii. providing the Company with more flexibility in dealing with untraced shareholders;
 - iv. updating the methods of settling cash dividends; and
 - v. changes in response to the introduction of international tax regimes requiring the exchange of information, including sections 1471 to 1474 of the US Tax Code, known as the Foreign Account Tax Compliance Act, and the Organisation for Economic Co-operation and Development Common Reporting Standard including, without limitation, the UK International Tax Compliance Regulations 2015.

The New Articles, together with a blackline showing amendments from the Existing Articles, will be available for inspection under 'Key Literature' on the Company's website, <https://www.asia-focus.co.uk>, and at the registered office at Bow Bells House, 1 Bread Street, London EC4M 9HH between the hours of 9.00am and 5.00pm (Saturdays, Sundays and public holidays excluded), from the date of this Circular until the close of the General Meeting, and will also be available for inspection at the venue of the General Meeting from 15 minutes before and during the General Meeting. Inspection of this document may only take place in accordance with measures imposed in connection with the COVID-19 pandemic.

Approval of Shareholders to the proposed adoption of the New Articles is sought at the General Meeting by way of Resolution 4, which is a Special Resolution.

Share Split

The closing mid-market price of the Company's Existing Ordinary Shares of 25p each was 1495.0p as at 5 January 2022 (being the Latest Practicable Date). The Directors believe that it is appropriate to propose the sub-division of each Existing Ordinary Share into 5 New Ordinary Shares of 5p each. The Directors believe that the Share Split may have the following effects:

- a) Improve the liquidity of the Company's Shares and enhance the ability of investors to make more efficient regular monthly investments.
- b) The reduced price of each Share after the Share Split will make each Share more affordable to investors, thus encouraging greater participation by and providing greater flexibility in terms of the size of the trades to investors with different investment profiles. Furthermore, the reduced price of each board lot of Shares would make the Shares more accessible and attractive to both existing and potential investors and hence enhance the trading liquidity of the Shares over time.
- c) The number of Shareholders after the Share Split may increase with the increase in the number of Shares available for trading purposes. As such, the Share Split may broaden the Shareholder base of the Company given that an investment in the Shares would be made more accessible to investors.

Shareholders should note, however, that there can be no assurance that the intended effect of the Share Split above can be achieved, nor is there any assurance that such effect can be sustained in the longer term.

Following the Share Split, each Shareholder will hold 5 New Ordinary Shares for each Existing Ordinary Share they held immediately prior to the Share Split. Whilst the Share Split will increase the number of Ordinary Shares the Company has in issue, upon the Share Split becoming effective the NAV, share price and dividend per Share can be expected to become one-fifth of their respective values immediately preceding the Share Split.

A holding of New Ordinary Shares following the Share Split will represent the same proportion of the issued Ordinary Share capital of the Company as the corresponding holding of Existing Ordinary Shares immediately prior to the Share Split. The Share Split will not affect, therefore, the overall value of a Shareholder's holding in the Company. By way of example, taking the NAV (including current year revenue with debt at par) and price as at 5 January 2022 (being the Latest Practicable Date) of 1670.9p and 1495.0p respectively per Existing Ordinary Share, if the Share Split had become effective as at that date, each holder of one Existing Ordinary Share would receive 5 New Ordinary Shares with an aggregate net asset value and price of 334.2p and 299.0p respectively immediately following the Share Split.

Under the Trust Deed, the conversion price of the CULS will be automatically and pro rata adjusted should Shareholders approve the Share Split. The current conversion price is 1465.0p of CULS for one Existing Ordinary Share, and this shall change to a conversion price of 293.0p of CULS for one New Ordinary Share.

The New Ordinary Shares will rank *pari passu* with each other and will carry the same rights and be subject to the same restrictions as the Existing Ordinary Shares, including the same rights to participate in dividends paid by the Company. Communication preferences and mandates and other instructions for the payment of dividends in paper form or via CREST will, unless and until revised, continue to apply to the New Ordinary Shares.

The Share Split should not itself give rise to any liability to UK income tax (or corporation tax on income) for Shareholders who hold their Existing Ordinary Shares as an investment. For the purposes of UK capital gains tax and corporation tax on chargeable gains, the receipt of the New Ordinary Shares from the Share Split will be a reorganisation of the share capital of the Company. Accordingly, a Shareholder's holding of New Ordinary Shares will be treated as the same asset as the Shareholder's holding of Existing Ordinary Shares and as having been acquired at the same time, and for the same consideration, as that holding of Existing Ordinary Shares.

Under Article 11 of the Existing Articles, the Share Split requires the approval of Shareholders and, accordingly, Resolution 3 seeks such approval. The Share Split is conditional on the New Ordinary Shares being admitted to the Official List of the FCA and to trading on the LSE's main market for listed securities.

Applications for such admissions will be made and, if they are accepted, it is proposed that the last day of dealings in the Existing Ordinary Shares will be 3 February 2022 (with the record date for the Share Split being 6:00 p.m. on that date) and that dealings in the New Ordinary Shares will commence on 4 February 2022. If the Proposals are approved at the General Meeting, the Share Split will become effective on admission of the New Ordinary Shares to the Official List, which is expected to be at 8:00 a.m. on 4 February 2022.

The New Ordinary Shares may be held in certificated or uncertificated form. Following the Share Split becoming effective, share certificates in respect of the Existing Ordinary Shares will cease to be valid and will be cancelled. New Share Certificates in respect of the New Ordinary Shares will be issued to those Shareholders who hold their Existing Ordinary Shares in certificated form and are expected to be dispatched not later than 18 February 2022. No temporary documents of title will be issued. Transfers of New Ordinary Shares between 4 February 2022 and the dispatch of new certificates will be certified against the Company's register of members held by the Company's Registrars. It is expected that the ISIN (GB0000100767) of the Existing Ordinary Shares will be disabled in CREST at the close of business on 3 February 2022 and the New Ordinary Shares will be credited to CREST accounts on 4 February 2022.

The New Ordinary Shares will retain the ticker of the Existing Ordinary Shares (being AAS) but will have a new ISIN and SEDOL as follows:

New ISIN: GB00BMF19B58
New SEDOL: BMF19B5

General Meeting

The Proposals are subject to Shareholder approval. A notice convening the General Meeting which is to be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on 27 January 2022 at 10:10 a.m. (or, if later, five minutes following the conclusion of the AGM) is set out at the end of this Circular. Resolutions 1, 2 and 3 will be proposed as Ordinary Resolutions and will require the approval of Shareholders representing a simple majority of the votes cast at the General Meeting, whereas Resolution 4, regarding the change in the Company's articles of association, will be proposed as a Special Resolution and will accordingly require the approval of Shareholders representing three-quarters of the votes cast at the General Meeting.

All Shareholders are entitled to vote at the General Meeting. In accordance with the Company's Existing Articles, all Shareholders entitled to vote and present in person or by proxy at the General Meeting shall upon a show of hands have one vote and upon a poll shall have one vote in respect of every Ordinary Shares held.

In light of the prominence of the Omicron variant of COVID-19 at the time of publication of this Circular and the UK Government's work from home advice, and in the interests of the health and safety of the Company's Shareholders and others in attendance at the General Meeting, the Company plans to hold the General Meeting with the minimum attendance required to form a quorum. Shareholders are strongly discouraged from attending the General Meeting in person.

If Shareholders do not vote in favour of the Resolutions, the Board will reassess the Company's strategic options for the future of the Company and will consult further with the Company's major Shareholders.

The Board always welcomes questions from Shareholders and, to the extent that physical attendance at the General Meeting is not possible in light of the Company's guidance against attendance in person, Shareholders are encouraged to submit any questions they have concerning the General Meeting or the proposed Resolutions to the Board by email to asia.focus@abrdn.com. Please put "Aberdeen Asia Focus – General Meeting" in the subject heading of any email.

Online Shareholder Presentation

The Company will hold an interactive Online Shareholder Presentation at 11:00 a.m. on Wednesday 19 January 2022. At the presentation, the Chairman and AFML will provide further details on the proposals and there will be the opportunity for an interactive question and answer session. Shareholders will still have time following the Online Shareholder Presentation to submit their proxy votes in respect of the General Meeting if they have not done so by that stage. Full details on how to register for the Online Shareholder Presentation can be found at <https://www.workcast.com/register?cpak=5119566346944925>.

Action to be taken

It is important to the Company that Shareholders have the opportunity to vote despite the minimum attendance at the General Meeting. You will find enclosed with this document a Form of Proxy for use at the General Meeting. The Company strongly encourages Shareholders to appoint the Chairman as their proxy to ensure their vote is registered, given that third party proxies may not be able to attend the General Meeting. You are requested to complete a Form of Proxy and return it to the Company's registrars, Equiniti Limited, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, to arrive no later than 10:10 a.m. on 25 January 2022.

If you hold your shares in CREST, you may appoint a proxy or proxies by completing and transmitting a CREST Proxy Instruction to Equiniti Limited (ID RA19) as soon as possible and so that it is received by no later than 10:10 a.m. on 25 January 2022.

Shareholders who hold their Shares in the Company via the abrdn Investment Plan for Children, Investment Trust Share Plan or ISA and would like to vote at the General Meeting will be sent for completion and return a

Letter of Direction, which must be completed and returned in accordance with the instructions printed on it not later than 5:00 p.m. on 20 January 2022.

If you have any further questions in relation to this document, including in relation to the completion and return of the Forms of Proxy or submitting your votes or proxies via CREST or online, please call the Shareholder Helpline on 0371 384 2277 if calling from the United Kingdom, or +44 371 384 2277 if calling from outside the United Kingdom. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except English and Welsh public holidays).

Recommendation

The Board considers that the Proposals as set out in this document and the Resolutions to be proposed at the General Meeting are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting.

The Directors intend to vote in favour, or procure votes in favour, of the Resolutions at the General Meeting in respect of their own beneficial holdings of Shares, which in aggregate amount to 9,565 Shares (representing approximately 0.03 per cent. of the issued Share capital (excluding Shares held in treasury) of the Company as at the Latest Practicable Date).

Yours faithfully,

Nigel Cayzer
Chairman

PART 2

PROPOSED NEW INVESTMENT POLICY

The changes proposed to the Company's Current Investment Policy are set out below:

Investment Objective

The Company aims to maximise total return to shareholders over the long term from a portfolio made up predominantly of quoted smaller companies in the economies of Asia excluding Japan. ~~smaller quoted companies (with a market capitalisation of up to approximately US\$1.5 billion at the time of investment which was raised to this level on 23 May 2018 from the previous ceiling of US\$1bn) in the economies of Asia and Australasia excluding Japan, by following the investment policy described below. When it is in shareholders' interests to do so, the Company reserves the right to participate in the rights issue of an investee company notwithstanding that the market capitalisation of that investee may exceed the stated ceiling. The Directors envisage no change in this activity in the foreseeable future.~~

Investment Policy

The ~~Company's assets~~ Company may ~~be invested~~ invest in a diversified portfolio of securities (including equity shares, preference shares, convertible securities, warrants and other equity-related securities) predominantly ~~in~~ issued by quoted smaller companies spread across a range of industries and economies in the Investment Region. ~~The Investment Region includes investment region including Australia,~~ Bangladesh, Cambodia, China, Hong Kong, India, Indonesia, Korea, Laos, Malaysia, Myanmar, ~~New Zealand,~~ Pakistan, The Philippines, Singapore, Sri Lanka, Taiwan, Thailand and Vietnam, together with such other economies in Asia as approved by ~~with approval of~~ the Board. ~~Directors may from time to time determine, (collectively, the "Investment Region").~~

The Company may invest up to 10% of its net assets ~~Investments may also be made through in~~ collective investment schemes, and up to 10% of its net assets in unquoted companies equities ~~(up to 10% of the net assets of the Company,~~ calculated at the time of investment.)

The Company may also invest ~~and~~ in companies traded on stock markets outside the Investment Region provided ~~that~~ over 75% of ~~the each company's their~~ consolidated revenue, operating income or pre-tax profit is earned from trading in the Investment Region or the company holds ~~they hold~~ more than 75% of their consolidated net assets in the Investment Region.

When the Board considers it in shareholders' interests, the Company reserves the right to participate in rights issues by an investee company.

Risk Diversification

The Company ~~does not~~ will invest no more than 15% of its gross assets in any single holding at the time of investment either in other including listed investment companies at the time of investment. ~~(including listed investment trusts), or in the shares of any one company. The Manager is authorised to invest up to 15% of the Company's gross assets in any single stock.~~

Gearing

The Board is responsible for determining the gearing strategy for the Company. Gearing is used selectively to leverage the Company's portfolio in order to enhance returns where and to the extent this is considered appropriate to do so. Gearing is subject to a maximum gearing level of up to 25% of adjusted NAV at the time of draw down.

PART 3

DEFINITIONS

Unless the context otherwise requires, the following words and expressions have the following meanings in this document:

abrdn	abrdn Asia Ltd, formerly Aberdeen Standard Investments (Asia) Limited, investment manager of the Company under delegation by AFML
Additional Shares	the additional Shares arising from the Share Split
AFML	Aberdeen Standard Fund Managers Limited, alternative investment fund manager to the Company
AGM	the next annual general meeting of the Company, scheduled for 10:00 a.m. on 27 January 2022
AIC SORP	the Association of Investment Companies Statement of Recommended Practice, April 2021 edition
AIFM Rules	the Alternative Investment Fund Managers Directive (2011/61/EU) and all applicable rules and regulations implementing that Directive in the UK including, without limitation, The Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and all associated provisions of the FCA Handbook
Board	the board of Directors of the Company or any duly constituted committee thereof
Business Day	any day other than a Saturday, Sunday or public holiday in England and Wales
Chairman's Letter	the letter from the Chairman of the Company at pages 3 to 10
Circular or this document	this circular to Shareholders dated 11 January 2022
Companies Act	the Companies Act 2006, as amended
Company	Aberdeen Standard Asia Focus PLC, a company incorporated in England and Wales with registered number 03106339
CREST	the facilities and procedures for the time being of the relevant system of which Euroclear has been approved as operator pursuant to the CREST Regulations
CREST Manual	the compendium of documents entitled CREST Manual issued by Euroclear from time to time and comprising the CREST Reference Manual, the CREST Central Counterparty Service Manual, the CREST International Manual, CREST Rules, CCSS Operations Manual and the CREST Glossary of Terms
CREST Regulations	the Uncertificated Securities Regulations 2001 (SI 2001 No. 3755)
CREST Sponsor	a CREST participant admitted to CREST as a CREST sponsor, being a sponsoring system participant (as defined in the CREST Regulations)
CULS	the £37,000,000 nominal of 2.25 per cent. convertible unsecured loan stock 2025 of the Company, constituted under the Trust Deed

CULS Holders	holders of the CULS
Current Investment Policy	the investment objective and policy of the Company, as in place at the time of this Circular
Directors	the directors of the Company
Euroclear	Euroclear UK & Ireland Limited, the operator of CREST
Existing Articles	the articles of association of the Company at the date of this Circular
Existing Ordinary Shares	the ordinary shares of 25 pence each in the Company, ahead of the proposed Share Split further to Resolution 3
FCA	the Financial Conduct Authority of the United Kingdom including any replacement or substitute thereof, and any regulatory body or person succeeding, in whole or in part, to the functions thereof
Form of Proxy	the form of proxy for use by Shareholders at the General Meeting
FSMA	Financial Services and Markets Act 2000, as amended
Future Tender Offer	the proposed future performance-linked tender offer as narrated in fuller detail within the Chairman's Letter at <i>Outcome of the Strategic Review</i>
General Meeting	the general meeting of the Company to be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on 27 January 2022 at 10:10 a.m. (or, if later, five minutes following the conclusion of the AGM), notice of which is set out at Part 4 of this Circular, at which the Resolutions will be proposed
ISA	Individual Savings Account
Latest Practicable Date	5 January 2022, being the latest practicable date prior to the printing of this Circular
Letter of Direction	the letter of direction for use at the General Meeting by Shareholders who hold their Shares through the abrdn Investment Plan for Children, Investment Trust Share Plan or ISA
London Stock Exchange or LSE	London Stock Exchange plc
Net Asset Value or NAV	the net asset value of the Company which shall be the total value of all of the assets of the Company less its liabilities as determined by the Board and calculated in accordance with the Company's accounting policies (for the avoidance of doubt, Liabilities for this purpose include current and long-term liabilities)
Net Asset Value per Share or NAV per Share	the Net Asset Value divided by the number of Shares then in issue (excluding treasury shares)
New Articles	the proposed new articles of association of the Company, which would be adopted further to Resolution 4
New Dividend Policy	the proposed new enhanced dividend policy of the Company, as described in <i>Enhanced new dividend policy</i> in the Chairman's Letter, which would be adopted further to Resolution 2
New Investment Policy	the proposed new investment objective and policy of the Company set out in full in Part 2 of this document, which would be adopted further to Resolution 1

New Ordinary Shares	conditional on the approval of Resolution 3, Ordinary Shares of 5 pence each in the capital of the Company
New Share Certificates	the share certificates issued to Shareholders of the New Ordinary Shares, further to approval of the Share Split at Resolution 3
Ordinary Resolution	a resolution of the Company whereby more than half of the votes cast must be in favour of the resolution
page	unless expressed otherwise, a page of this Circular
Part	a part of this Circular, as listed in the table of contents on page 2 of this Circular
Proposals	the proposals of the Board for consideration by Shareholders, details of which are set out in this Circular, notably within the Chairman's Letter at page 3
Receiving Agent	Equiniti, as receiving agent for the management of the Share Split
Register	the register of Shareholders
Registrar or Equiniti	Equiniti Limited, a company incorporated in England and Wales with registered number 06226088
Regulatory Information	any of the regulatory information services set out in Appendix 3 of the
Service or RIS	listing rules of the FCA
Resolution 1	the Ordinary Resolution being put forward at the General Meeting relating to the adoption of the New Investment Policy
Resolution 2	the Ordinary Resolution being put forward at the General Meeting relating to the adoption of the New Dividend Policy
Resolution 3	the Ordinary Resolution being put forward at the General Meeting relating to the Share Split
Resolution 4	the Special Resolution being put forward at the General Meeting relating to the amendment of the Company's articles of association
Resolutions	Resolution 1, Resolution 2, Resolution 3 and Resolution 4 together
Shareholders	holders of Ordinary Shares
Shares or Ordinary Shares	ordinary shares of 25 pence each in the capital of the Company (or as the context may require, following the passing of Resolution 3 relating to the Share Split, ordinary shares of 5 pence each)
Share Split	the proposed share split of every one Existing Ordinary Share of 25 pence each into five shares of 5 pence each, in accordance with Resolution 3
Special Resolution	a resolution of the Company whereby at least three-quarters of the votes cast must be in favour of the resolution
Sterling or £	the lawful currency of the United Kingdom
Strategic Review	the Company's recent strategic review the outcome of which was announced on 30 November 2021 and is summarised within the Chairman's Letter at page 4
Trust Deed	the trust deed between the Company and the Trustee dated 24 May 2018 constituting the CULS
Trustee	the Law Debenture Trust Corporation p.l.c., trustee of the CULS

United Kingdom or UK	the United Kingdom of Great Britain and Northern Ireland
US\$	the lawful currency of the United States of America
£ or Pounds (and pence or p)	the lawful currency of the United Kingdom
% or per cent	per centum or percentage

PART 4

NOTICE OF GENERAL MEETING

ABERDEEN STANDARD ASIA FOCUS PLC

(Incorporated in England and Wales with registered number 03106339)

(An investment company within the meaning of section 833 of the Companies Act 2006)

Notice is hereby given that a general meeting of Aberdeen Standard Asia Focus PLC (the "**Company**") will be held at Bow Bells House, 1 Bread Street, London EC4M 9HH on 27 January 2022 at 10:10 a.m. (or, if later, five minutes following the conclusion of the Company's 2022 annual general meeting to be held on 27 January 2022 at 10:00 a.m.) to consider and, if thought fit, pass the following resolutions, which will be proposed as ordinary or special resolutions, as stated:

ORDINARY RESOLUTIONS

1. **THAT**, conditional on the passing of resolutions numbered 2-4, the proposed investment objective and investment policy, amendments to which are set out in Part 2 of the Circular to shareholders of the Company dated 11 January 2022 (the "**Circular**"), a complete copy of which has been produced to the meeting and signed by the chairman of the Company for the purpose of identification, be and are hereby adopted as the investment objective and investment policy of the Company to the exclusion of all previous investment objectives and investment policies of the Company with immediate effect.
2. **THAT**, conditional on the passing of resolutions numbered 1, 3 and 4, the Company's proposed new dividend policy, set out under the heading "Enhanced new dividend policy" in the Chairman's Letter in the Circular, be and hereby is approved.
3. **THAT**, conditional on the passing of resolutions numbered 1, 2 and 4, each of the issued ordinary shares of 25 pence each in the capital of the Company be sub-divided into five ordinary shares of 5 pence each (the "**New Ordinary Shares**"), the New Ordinary Shares having the rights and being subject to the restrictions and obligations set out in the Articles of the Company, such sub-division to be conditional on, and shall take effect on, admission of the New Ordinary Shares to the Official List of the Financial Conduct Authority and to trading on the London Stock Exchange's main market for listed securities by 8:00 a.m. on 15 February 2022 (or such other time and/or date as the Directors may in their absolute discretion determine).

SPECIAL RESOLUTION

4. **THAT**, conditional on the passing of resolutions numbered 1-3, the New Articles produced to the meeting and initialled by the chairman of the Company for the purposes of identification be approved and adopted as the articles of association of the Company in substitution for, and to the exclusion of, the Company's existing articles of association with effect from the conclusion of this General Meeting.

Terms defined in the Circular shall have the same meanings in these Resolutions, and vice versa, save where the context otherwise indicates or requires.

By order of the Board

Aberdeen Asset Management plc (Company Secretary)

Registered office:

Bow Bells House
1 Bread Street London
EC4M 9HH

Dated: 11 January 2022

Notes:

1. A member is entitled to appoint a proxy or proxies to exercise all or any of their rights to attend, speak and vote on their behalf. A proxy need not be a member of the Company. A member may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. A member may not appoint more than one proxy to exercise rights attached to any one share. However, given shareholders and third parties may be unable to attend the meeting in person, shareholders are strongly encouraged to appoint the Chairman of the meeting as their proxy to vote on their behalf.
2. A form of proxy for use by shareholders is enclosed with this document. To be valid, the form of proxy should be lodged by one of the following methods:
 - via the Registrar's website www.sharevote.co.uk. You will require your voting ID, task ID and Shareholder Reference Number. This information can be found under your name on your form of proxy. Alternatively, shareholders who have already registered with Equiniti Registrars' online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk using their user ID and password. Once logged in, click "view" on the "My Investments" page. Click on the link to vote and follow the on screen instructions; or
 - in hard copy form (together with any power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such power or authority) by post, by courier or by hand to the Registrar at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA; or
 - in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures noted below,and in each case to be received by the Company no later than 48 hours (excluding non-working days) before the time of the meeting or any adjourned meeting.
3. Only those shareholders having their names entered on the Company's share register not later than 6:30 p.m. on 25 January 2022 or, if the meeting is adjourned, 6:30 p.m. on the day which is two days (excluding non-working days) prior to the date of the adjourned meeting, shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their name at that time. Changes to the entries on the Company's share register after that time shall be disregarded in determining the rights of any shareholder to attend, speak and vote at the meeting, notwithstanding any provision in any enactment, the Articles of Association of the Company or other instrument to the contrary.
4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual and by logging on to the website www.euroclear.com. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST Sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's Registrar (ID RA19) no later than 10:10 a.m. on 25 January 2022 (or in the event the meeting is adjourned no later than 48 hours (excluding non-working days) before the time of the adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Application Host) from which the Company's Registrar is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
6. CREST members and, where applicable, their CREST Sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider(s), to procure that his CREST Sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST Sponsors or voting system provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

7. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
8. The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who have been nominated to receive communications from the Company in accordance with Section 146 of the Companies Act 2006 ("**Nominated Persons**"). Nominated Persons may have a right under an agreement with the member who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if nominated persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights. The statement of the rights of members in relation to the appointment of proxies in notes 2, 3 and 5 above does not apply to Nominated Persons. The rights described in these notes can only be exercised by members of the Company.
9. The completion and return of the form of proxy or the transmission of a CREST Proxy Instruction will not prevent shareholders from attending and voting in person at the meeting if they wish (although in the interests of shareholders' health and safety given the current prominence of the Omicron variant of COVID-19, the Company strongly discourages in person attendance).
10. As at close of business on 5 January 2022 (being the latest practicable date prior to publication of this document), the Company's issued share capital comprised 41,739,537 Ordinary Shares of 25 pence each (of which 10,348,918 shares were held in treasury) carrying one vote for every 25 pence of nominal value held. Therefore the total number of voting rights in the Company as at close of business on 5 January 2022 was 31,390,619.
11. Any person holding 3 per cent. or more of the total voting rights in the Company who appoints a person other than the Chairman as his/her proxy will need to ensure that both he/she and such third party complies with their respective disclosure obligations under the Disclosure Guidance and Transparency Rules. However, please note that as the meeting is being held as a closed meeting, your vote will not be counted where a proxy other than the Chairman of the meeting is appointed as additional third parties will not be permitted entry to the meeting.
12. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
13. Under section 319A of the Companies Act 2006, the Company must answer any question relating to the business being dealt with at the meeting put by a member attending the meeting unless:
 - answering the question would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information;
 - the answer has already been given on a website in the form of an answer to a question; or
 - it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
14. You may not use any electronic address (within the meaning of section 333(4) of the Companies Act 2006) provided in this notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
15. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found under 'Key Literature' at www.asia-focus.co.uk.
16. There are special arrangements for holders of shares through abrdn Investment Plan for Children, Investment Trust Share Plan and ISA. These are explained in the separate Letter of Direction which such holders will have received with this notice.
17. If you have any further questions in relation to this document, including in relation to the completion and return of forms of proxy or submitting your votes or proxies via CREST or online, please call the Shareholder Helpline on 0371 384 2277 if calling from the United Kingdom, or +44 371 384 2277 if calling from outside the United Kingdom. Lines are open from 8.30 a.m. to 5.30 p.m. (London time) Monday to Friday (except English and Welsh public holidays).

