

THIS PROSPECTUS AND ANY ACCOMPANYING DOCUMENTS ARE IMPORTANT AND REQUIRE YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take or the contents of this Prospectus, you are recommended to seek your own independent financial advice from your stockbroker, bank manager, solicitor, accountant or other appropriate independent financial adviser who is 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, without delay.

This document comprises a prospectus (the “**Prospectus**”) relating to Asia Dragon Trust plc (the “**Company**”), in connection with the issue of Shares in the Company (the “**New Shares**”) pursuant to a scheme of reconstruction and members’ voluntary winding up of abrdn New Dawn Investment Trust plc (“**New Dawn**”) under section 110 of the Insolvency Act 1986 (the “**Scheme**”), prepared in accordance with the UK version of the EU Prospectus Regulation ((EU) 2017/1129) which is part of UK law by virtue of the European Union Withdrawal Act 2018, as amended and supplemented from time to time, including, but not limited to, by the Prospectus (Amendment etc.) (EU Exit) Regulations 2019/1234 and The Financial Services and Markets Act 2000 (Prospectus) Regulations 2019 (the “**UK Prospectus Regulation**”) and the prospectus regulation rules of the Financial Conduct Authority (the “**FCA**”) made pursuant to section 73A of FSMA (the “**Prospectus Regulation Rules**”).

This Prospectus has been approved by the FCA as competent authority under the UK Prospectus Regulation. The FCA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the UK Prospectus Regulation. Such approval should not be considered as an endorsement of the Company or of the quality of the Shares that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Shares. This Prospectus will be made available to the public in accordance with the Prospectus Regulation Rules by being made available at the Company’s website (www.asiadragontrust.co.uk).

Applications will be made to the FCA for the New Shares to be admitted to listing on the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. It is expected that Admission will become effective, and dealings in the New Shares will commence, on 9 November 2023.

ASIA DRAGON TRUST PLC

(Incorporated in Scotland with registered number SC106049 and registered as an investment company under section 833 of the Companies Act 2006)

Prospectus relating to the Issue of New Shares pursuant to a scheme of reconstruction and members’ voluntary winding up of abrdn New Dawn Investment Trust plc under section 110 of the Insolvency Act 1986

The Directors and Prospective Directors of the Company, whose names appear on page 34 of this Prospectus, and the Company accept responsibility for the information contained in this Prospectus. To the best of the knowledge of the Directors, the Prospective Directors and the Company, the information contained in this Prospectus is in accordance with the facts and this Prospectus makes no omission likely to affect its import.

abrdn Fund Managers Limited (“**AFML**” or the “**AIFM**”) and abrdn Asia Limited (“**abrdn Asia**” or the “**Investment Manager**”) accept responsibility for the information and opinions contained in: (a) the risk factors contained under the heading ‘*Risks relating to the investment policy*’ in the *Risk Factors* section of this Prospectus; (b) paragraph 9 (*Net Asset Value Calculations and Valuation Policy*) of Part 1 of this Prospectus; (c) Part 2 (*Market Outlook, Investment Strategy and Investment Portfolio*) of this Prospectus; (d) paragraph 2.1 (*Managerial arrangements*) of Part 3 of this Prospectus; and (e) any other information or opinion related to or attributed to either of them or to any of their affiliates. To the best of the knowledge of the AIFM and the Investment Manager, the information contained in those parts of this Prospectus for which they are responsible is in accordance with the facts and those parts of this Prospectus for which they are responsible make no omission likely to affect their import.

Winterflood Securities Limited (the “**Sponsor**” or “**Winterflood**”) which is authorised and regulated in the United Kingdom by the FCA, is acting exclusively for the Company and for no one else in connection with the Issue. The Sponsor will not be responsible to anyone (whether or not a

recipient of this Prospectus) other than the Company for providing the protections afforded to clients of the Sponsor or for providing advice in relation to the Issue, the contents of this Prospectus or any matters referred to in this Prospectus. This does not exclude any responsibilities which the Sponsor may have under FSMA or the regulatory regime established thereunder.

Apart from the liabilities and responsibilities (if any) which may be imposed on the Sponsor by FSMA or the regulatory regime established thereunder, the Sponsor makes no representations, express or implied, nor accepts any responsibility whatsoever for the contents of this Prospectus nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Issue or any transaction or arrangement referred to in this Prospectus. The Sponsor and its Affiliates, to the fullest extent permitted by law, accordingly disclaim all and any responsibility or liability (save for any statutory liability), whether arising in tort, contract or otherwise which it or they might otherwise have in respect of the contents of the Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Issue or any transaction or arrangement referred to in this Prospectus.

THE NEW SHARES ARE ONLY AVAILABLE TO ELIGIBLE NEW DAWN SHAREHOLDERS AND ARE NOT BEING OFFERED TO EXISTING SHAREHOLDERS (SAVE TO THE EXTENT AN EXISTING SHAREHOLDER IS ALSO AN ELIGIBLE NEW DAWN SHAREHOLDER) OR TO THE PUBLIC.

This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities by any person in any circumstances or jurisdiction in which such offer or solicitation would be unlawful or would impose any unfulfilled registration, qualification, publication or approval requirements on the Company, the AIFM, the Investment Manager or the Sponsor.

The distribution of this Prospectus and the offer of the New Shares in certain jurisdictions may be restricted by law. Other than in the United Kingdom, no action has been taken, nor will any action be taken, by the Company or Winterflood that would permit an offer of the New Shares or possession, issue or distribution of this Prospectus (or any other offering or publicity material relating to the New Shares) in any jurisdiction where action for that purpose is or may be required, or where doing so is restricted by law. Accordingly, neither this Prospectus, nor any advertisement, nor any other offering material may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus (or any other offering materials or publicity relating to the New Shares) comes 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 any such jurisdiction. None of the Company, the AIFM, the Investment Manager, the Sponsor or any of their respective affiliates or advisers, accepts any legal responsibility to any person, whether or not a prospective investor, for any such restrictions.

In particular, the New Shares described in this Prospectus have not been, and will not be, registered under the securities laws of any of Australia, Canada, Japan, New Zealand, the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Accordingly, the New Shares may not (unless an exemption from such legislation or such laws is available) be offered, sold or delivered, directly or indirectly, in or into Australia, Canada, Japan, New Zealand or the Republic of South Africa or any EEA Member State, or their respective territories or possessions. Persons resident in territories other than the UK should consult their professional advisers as to whether they require any governmental or other consents or need to observe any formalities to enable them to apply for, acquire, hold or dispose of the New Shares.

The New Shares are being offered or sold only: (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons that are both “qualified institutional buyers”, or “QIBs”, as defined in Rule 144A under the US Securities Act and “qualified purchasers” as defined in the US Investment Company Act (“**Qualified Purchasers**”), pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have executed a US investor representation letter, which can be requested from Equiniti at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6JA and returned such letter to the Company.

In addition, the Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and investors in the New Shares will not be entitled to the benefits of the US Investment Company Act. The New Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**US Securities Act**”) and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any “U.S. persons” as defined in Regulation S under the US Securities Act (“**US Persons**”), except pursuant to an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has not been and there will not be any public offer of the New Shares in the United States.

This Prospectus does not address the US federal income tax considerations applicable to an investment in the New Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of any such investment.

Neither the US Securities and Exchange Commission (the “**SEC**”) nor any securities regulatory authority of any state or other jurisdiction of the United States has approved or disapproved of the New Shares or passed upon or endorsed the merits of the offering of the New Shares or the adequacy or accuracy of this Prospectus. Any representation to the contrary is a criminal offence in the United States.

The New Shares are also subject to restrictions on transferability and resale in certain jurisdictions and may not be transferred or resold except as permitted under applicable securities laws and regulations. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions. For further information on restrictions on offers, sales and transfers of the New Shares, please refer to the section entitled “*Excluded New Dawn Shareholders*” at paragraph 9 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

Prospective investors should read this entire Prospectus and, in particular, the section entitled “*Risk Factors*” beginning on page 12 when considering an investment in the Company.

22 September 2023

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SUMMARY

INTRODUCTION AND WARNINGS

1. INTRODUCTION

This Prospectus relates to the issue of ordinary shares of 20 pence each (the “**New Shares**”) in the capital of Asia Dragon Trust plc (the “**Company**”) in connection with a scheme of reconstruction and voluntary winding up of abrdn New Dawn Investment Trust plc (“**New Dawn**”) under the Insolvency Act (the “**Scheme**”). The ISIN of the New Shares is GB0002945029 and the SEDOL is 0294502. The LEI of the Company is 549300W4KB0D75D1N730 and its registered office is at 1 George Street, Edinburgh, Scotland EH2 2LL.

This Prospectus was approved by the Financial Conduct Authority (the “**FCA**”) in the United Kingdom on 22 September 2023. The head office of the FCA is at 12 Endeavour Square, London E20 1JN (Tel: 020 7066 1000).

Warning

The following summary should be read as an introduction to this Prospectus. Any decision to invest in the New Shares should be based on a consideration of this Prospectus as a whole by the investor. An investor could lose all or part of the invested capital. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating this Prospectus before legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of this Prospectus, or where it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the New Shares.

2. KEY INFORMATION ON THE ISSUER

2.1. Who is the issuer of the securities?

The Company was incorporated and registered in Scotland on 12 August 1987 as a public company limited by shares with registered number SC106049. The Company is an investment company under section 833 of the Companies Act. The Company's LEI number is 549300W4KB0D75D1N730. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.

The Company is a closed-ended investment company and operates as an investment trust approved by HMRC in accordance with the Corporation Tax Act. The Company's current investment objective is to achieve long-term capital growth through investment in Asia, with the exception of Japan and Australasia. The Company is proposing, in connection with the Scheme and subject to Shareholder approval, to amend the Company's investment objective to the following: an aim to achieve long-term capital growth principally through investment in companies in the Asia Pacific region, excluding Japan. This is intended to provide the Company's management team with greater geographic flexibility. The Company will also propose other modernising and clarificatory amendments (all together, the “**Investment Policy Change**”).

The Company has appointed abrdn Fund Managers Limited (“**AFML**” or the “**AIFM**”) as the Company's alternative investment fund manager to provide overall portfolio and risk management services to the Company. The AIFM has delegated portfolio management services to abrdn Asia Limited (“**abrdn Asia**” or the “**Investment Manager**”).

The Directors of the Company are as follows:

- James Will (Chairman);
- Gaynor Coley;
- Matthew Dobbs;
- Susan Sternglass Noble; and
- Charlie Ricketts.

It is intended that, following completion of the Scheme, Donald Workman, Stephen Souchon and Nicole Yuen (each a New Dawn Director) (the “**Prospective Directors**”) will be appointed as non-executive Directors of the Company. As such, the Board will then, initially, consist of eight Directors, comprising the five current Directors of the Company and three New Dawn Directors. After a transition period that will end on the six month anniversary of Admission, it is intended that the number of Directors on the Board will be reduced to five, with Donald Workman, Charlie Ricketts and Gaynor Coley expected to retire from the Board at that time.

All of the Directors are, and the Prospective Directors will be, non-executive and are independent of the AIFM and the Investment Manager.

As at close of business on 19 September 2023, being the latest practicable date prior to the publication of this Prospectus, other than as set out below, there are no persons known to the Company who, directly or indirectly, are interested in three per cent. or more of the Company's issued Share capital or voting rights.

Shareholder	Number of Shares	Percentage of issued Share capital (%)
City of London Investment Management	34,144,519	30.01
Allspring Global Investments	17,252,523	15.16
Lazard Asset Management	10,506,479	9.23
abrdn Retail Plans	4,311,140	3.79
Rathbones	3,791,711	3.33
Evelyn Partners	3,432,386	3.02

As at the date of this Prospectus, none of the Company, the Directors or the Prospective Directors are aware of any person who could, directly or indirectly, jointly or severally, own or exercise control over the Company, or of any arrangement the operation of which may result in a change of control of the Company. There are no different voting rights for any Shareholder.

The Company's statutory auditors are PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT.

2.2. What is the key financial information regarding the issuer?

Selected historical financial information

Selected audited financial information relating to the Company which summarises the financial condition of the Company for the financial years ended 31 August 2020, 31 August 2021 and 31 August 2022 and selected unaudited financial information relating to the Company which summarises the financial condition of the Company for the financial period ended 28 February 2023, is set out in the following tables.

Statement of Comprehensive Income

	6 months ended 28 February 2023 (unaudited) (£'000)	Year ended 31 August 2022 (£'000)	Year ended 31 August 2021 (£'000)	Year ended 31 August 2020 (£'000)
(Losses)/gains on investments	(44,882)	(65,385)	119,603	19,336
Currency gains/(losses)	(855)	455	(573)	(893)
Income	3,218	11,127	13,074	13,240
Investment management fee	(2,001)	(4,387)	(4,774)	(4,058)
Administrative expenses	(562)	(1,007)	(1,102)	(1,070)
Net return/(loss) before finance costs and taxation	(45,082)	(59,197)	126,228	26,555
Interest payable and similar charges	(1,054)	(1,064)	(756)	(548)
Return/(loss) before taxation	(46,136)	(60,261)	125,472	26,007
Taxation	(63)	(260)	(4,291)	(549)
Return/(loss) after taxation	(46,199)	(60,521)	121,181	25,458
Return/(loss) per Ordinary share (pence)	(38.98)	(49.53)	96.60	19.94

Statement of Financial Position

	As at 28 February 2023 (unaudited) (£'000)	As at 31 August 2022 (£'000)	As at 31 August 2021 (£'000)	As at 31 August 2020 (£'000)
Non-current assets				
Investments at fair value through profit or loss	605,866	672,379	766,794	620,827
Current assets				
Debtors and prepayments	1,191	2,693	5,782	3,929
Cash and cash equivalents	2,957	5,094	5,000	11,390
	4,148	7,787	10,782	15,319
Creditors: amounts falling due within one year				
Bank loan	(30,000)	(35,000)	(64,998)	(6,000)
Other creditors	(3,600)	(3,413)	(1,840)	(4,666)
	(33,600)	(38,413)	(66,838)	(10,666)
Net current liabilities/assets	(29,452)	(30,626)	(56,056)	4,653
Creditors: amounts falling due after more than one year				
Bank loan	(24,987)	(24,983)	—	(24,995)
Deferred tax liability on Indian capital gains	(1,473)	(2,401)	(3,809)	(1,054)
	(26,460)	(27,384)	(3,809)	(26,049)
Net assets	549,954	614,369	706,929	599,431
Share capital and reserves				
Called-up share capital	31,922	31,922	31,922	31,922
Share premium account	60,416	60,416	60,416	60,416
Capital redemption reserve	28,154	28,154	28,154	28,154
Capital reserve	395,060	453,273	545,582	441,359
Revenue reserve	34,402	40,604	40,855	37,580
Total shareholders' funds	549,954	614,369	706,929	599,431
Net asset value per Ordinary share (pence)	469.24	513.32	566.60	474.39

Statement of Changes in Equity

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2020	31,922	60,416	28,154	441,359	37,580	599,431
(Loss)/return after taxation	—	—	—	111,941	9,240	121,181
Buyback of Ordinary shares for treasury	—	—	—	(7,718)	—	(7,718)
Dividend paid	—	—	—	—	(5,965)	(5,965)
Balance at 31 August 2021	31,922	60,416	28,154	545,582	40,855	706,929
(Loss)/return after taxation	—	—	—	(68,311)	7,790	(60,521)
Buyback of Ordinary shares for treasury	—	—	—	(23,998)	—	(23,998)
Dividend paid	—	—	—	—	(8,041)	(8,041)
Balance at 31 August 2022	31,922	60,416	28,154	453,273	40,604	614,369
(Loss)/return after taxation	—	—	—	(47,723)	1,524	(46,199)
Buyback of Ordinary shares for treasury	—	—	—	(10,490)	—	(10,490)
Dividend paid	—	—	—	—	(7,726)	(7,726)
Balance at 28 February 2023 (unaudited)	31,922	60,416	28,154	395,060	34,402	549,954

Statement of Cash Flows

	6 months ended 28 February 2023 (unaudited) (£'000)	Year ended 31 August 2022 (£'000)	Year ended 31 August 2021 (£'000)	Year ended 31 August 2020 (£'000)
Operating activities				
Net return before taxation	(46,136)	(60,261)	125,472	26,007
Adjustment for:				
Losses/(gains) on investments	44,882	65,385	(119,603)	(19,336)
Currency (gains)/losses	855	(455)	573	893
(Increase)/decrease in accrued dividend income	(4)	(232)	568	138
(Increase)/decrease in other debtors	857	(466)	14	31
Increase/(decrease) in other creditors	(23)	1,473	176	81
Interest payable and similar charges	1,054	1,064	756	548
Scrip dividends included in investment income	—	—	(587)	(222)
Overseas withholding tax	271	(1,323)	(1,767)	(1,329)
Cash from operations	1,756	5,185	5,602	6,811
Interest paid	(1,050)	(1,013)	(749)	(545)
Net cash inflow from operating activities	706	4,172	4,853	6,266
Investing activities				
Purchases of investments	(58,759)	(210,345)	(259,733)	(179,449)
Sales of investments	80,669	243,361	229,021	190,990
Capital gains tax on sales	(622)	(701)	(187)	(112)
Net cash inflow/(outflow) from investing activities	21,288	32,315	(30,899)	11,429
Financing activities				
Equity dividends paid	(7,726)	(8,041)	(5,965)	(6,088)
Buyback of Ordinary shares	(10,550)	(23,807)	(7,806)	(9,489)
Tender Offer for Ordinary shares inclusive of expenses	—	—	—	(5)
Repayment of bank loans	(5,000)	(65,000)	—	—
Drawdown of bank loans	—	60,000	34,000	—
Net cash (used in)/from financing activities	(23,276)	(36,848)	20,229	(15,582)
Increase/(Decrease) in cash and cash equivalents	(1,282)	(361)	(5,817)	2,113
Analysis of changes in cash and cash equivalents during the year				
Opening balance	5,094	5,000	11,390	10,170
Effect of exchange rate fluctuations on cash held	(855)	455	(573)	(893)
Increase/(decrease) in cash and cash equivalents as above	(1,282)	(361)	(5,817)	2,113
Closing cash and cash equivalents	2,957	5,094	5,000	11,390
Represented by:				
Money market funds	5	1,000	500	3,300
Cash and short term deposits	2,952	4,094	4,500	8,090
	2,957	5,094	5,000	11,390

Selected pro forma financial information

Neither pro forma financial information nor any qualified audit report has been included in this Prospectus.

Additional information relevant to closed-end funds

The data set out in the table below is as at the date of the latest published Net Asset Value of the Company as at the latest practicable date, being 19 September 2023.

Share Class	NAV (£'000)	No. of Shares (excluding treasury Shares)	NAV per Share (p)
Ordinary	481,995	113,425,040	424.95

The statement of comprehensive income for the Company can be found above.

The statement of financial position for the Company can be found above.

2.3. What are the key risks that are specific to the issuer?

The following are brief descriptions of what the Directors and the Prospective Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to the Company:

Risks relating to the Company

- The Company has no employees and the Directors have been appointed on a non-executive basis. The Company is therefore reliant upon the performance of third party service providers (and their delegates) for its executive functions and is exposed to the risk that misconduct by employees of those service providers and/or their delegates, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, any reputational damage suffered by any service provider and/or the termination of those appointments could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

Risks relating to the investment policy

- There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment.
- The investments of the Company are subject to general economic and market conditions (including interest and inflation rates, currency exchange rates and national and international political circumstances), as well as the risk of changes in market prices and/or macroeconomic factors, particularly those that impact the Asia Pacific region. Any such changes could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.
- The Company's investments are concentrated in the Asia Pacific region which means that the Company has increased exposure to adverse events associated with this region. The geographic scope of the Company's investment policy means that the Company is exposed to emerging markets risk (emerging markets tend to be more volatile than mature markets). The Company is exposed to particular economic, regulatory, political, diplomatic, geopolitical, environmental and taxation risks associated with investments in emerging markets, which could have an adverse effect on the Portfolio, the Company's financial condition, results of operations and prospects were they to materialise, with a consequential adverse effect on the market value of the Shares.
- In addition to the general risks associated with the concentration of the Company's investments in the Asia Pacific region, the Company is also exposed to certain risks specifically associated with making investments in China. In particular, an escalation in the tensions between China and the West may present a risk to the Company's investments in China. It could also result in economic sanctions being imposed against China or China imposing its own suite of economic sanctions against the West which could result in operational challenges in relation to trade settlements and may impact the Company's ability to sell investments in the Chinese markets or transfer funds out of China.
- The due diligence and ongoing review process that the Investment Manager undertakes in evaluating the Company's investments may not reveal all facts that may be relevant in connection with such investments. Any failure by the AIFM and the Investment Manager to perform effective due diligence on potential investments may adversely affect the investment returns expected from a particular investment. Any failure by the AIFM and the Investment Manager to conduct an effective ongoing review of the Portfolio could have a similar adverse effect on the returns generated by the investments in the Portfolio.
- The Company is exposed to currency and foreign exchange risk as a result of holding investments denominated in currencies other than Sterling, from its non-Sterling borrowings and where the currency denominations of the Company's borrowings diverge from the currency denominations of its underlying assets. This currency and foreign exchange risk could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.
- The Company may accumulate investment positions which represent more than normal daily trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Shares.
- The Company may use gearing to seek to enhance investment returns. Whilst the use of gearing should enhance the total return on the Ordinary Shares where the return on the Company's underlying assets is rising and exceeds the cost of gearing, it will have the opposite effect where the return on the Company's underlying assets is rising at a lower rate than the cost of gearing or where such return is falling.

Risks relating to the AIFM and the Investment Manager

- The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel, and ability to source and advise appropriately on investments. As a result of this, the Portfolio, financial condition, results of operations, prospects and the value of the Shares could be adversely affected by: competitive pressures on the AIFM and/or the Investment Manager or the Investment Manager's ability to source and make successful investments; any failure by the AIFM or the Investment Manager to carry out due diligence and obtain relevant information on prospective investments; or any loss of key personnel of the AIFM or the Investment Manager and any inability to recruit appropriate replacements in a timely fashion.

Risks relating to regulation, taxation and the Company's operating environment

- Any failure by the Company to maintain HMRC approval as an investment trust or changes in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure (including the jurisdictions in which companies in the Portfolio are based) may adversely affect the Company and the tax treatment for Shareholders investing in the Company.
- Changes in laws or regulations governing the Company's, the AIFM's or the Investment Manager's operations may have an adverse effect on the ability of the Company, the AIFM and/or the Investment Manager to carry on their respective businesses and any such changes could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

3. KEY INFORMATION ON THE SECURITIES

3.1. What are the main features of the securities?

The New Shares are ordinary shares with a nominal value of 20 pence each and are denominated in Sterling. The ISIN of the New Shares is GB000294502 and the SEDOL number is 0294502. The ticker code is DGN. The issue price of the New Shares will be determined on the Calculation Date and will be released by way of an RIS announcement on or around 8 November 2023.

As at 19 September 2023, being the latest practicable date prior to the publication of this Prospectus, the issued Share capital of the Company comprised 113,425,040 fully paid Shares and an additional 46,186,637 Shares held in treasury.

The New Shares will rank *pari passu* in all respects (including voting rights) with each other and the existing issued Shares (other than in respect of dividends or other distributions declared, made or paid on the existing Shares prior to the Calculation Date). In summary, the rights attaching to the Shares are:

<i>Dividend</i>	The holders of Shares are entitled to such dividends as may be declared by the Company from time to time. Shares held in treasury do not receive dividends.
<i>Capital</i>	On a winding up, the Shares (excluding Shares held in treasury) shall rank equally for the nominal capital paid up thereon and in respect of any surplus.
<i>Voting</i>	Holders of Shares are entitled to attend, speak and vote at general meetings of the Company. Each Share (excluding Shares held in treasury) carries one vote. Treasury shares do not carry voting rights.

Restrictions on the free transferability of Shares

Subject to the terms of the Articles and applicable securities laws, there are no restrictions on the transferability of the Shares.

Dividend policy

The Company does not have any formal policy to achieve any specified level of dividend. The Company conducts its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust Tax Regulations, the Company does not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period and seeks to distribute at least the minimum amount permissible to maintain investment trust status. The Board may resolve to pay dividends on the Shares from time to time in order to comply with these requirements.

In general, the Company pays one final dividend in respect of each financial year (usually payable in December each year).

3.2. Where will the securities be traded?

Applications will be made to the FCA for the New Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. It is expected that such admissions will become effective, and dealings in the New Shares will commence, on 9 November 2023.

3.3. What are the key risks specific to the securities?

The following is a brief description of what the Directors and Prospective Directors believe, at the time of publication of this Prospectus, to be the key material risks specific to an investment in the Shares:

- The market price of the Shares may not reflect the value of the underlying investments of the Company and may be subject to wide fluctuations in response to many factors. The market value of the Shares may therefore vary considerably from the Company's underlying NAV. In particular, it is possible that the Shares could trade at a value materially below their NAV for a prolonged period of time and there can be no assurance, express or implied, that Shareholders will receive back the amount of their investment in the Shares.
- It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company.

4. KEY INFORMATION ON THE OFFER

4.1. Under which conditions and timetable can I invest in this security?

Terms and conditions

The New Shares being issued pursuant to the Issue are only available to Eligible New Dawn Shareholders, pursuant to the terms of a scheme of reconstruction and voluntary winding up of New Dawn under section 110 of the Insolvency Act.

The Issue is conditional on, amongst other things:

- (a) the passing of the New Dawn Resolutions to be proposed at the First New Dawn General Meeting and the New Dawn Resolution to be proposed at the Second New Dawn General Meeting, or any adjournment of those meetings, and such New Dawn Resolutions becoming unconditional in all respects;
- (b) the passing of the Resolutions to approve the issue of the New Shares and the Investment Policy Change at the General Meeting and such Resolutions becoming unconditional in all respects;
- (c) the FCA agreeing to admit the New Shares to the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on its Main Market, subject only to allotment; and
- (d) the Directors and the New Dawn Directors resolving to proceed with the Scheme.

If any of the above conditions are not satisfied by 30 November 2023, unless such date is extended by mutual agreement between the Company and New Dawn, the Scheme will not become effective and no New Shares will be issued to New Dawn Shareholders pursuant to the Scheme.

4.2. Expected timetable

2023

General Meeting

Publication of the Circular and Notice of General Meeting	22 September
Latest time and date for receipt of voting Letters of Direction for the General Meeting	2.00 p.m. on 18 October
Latest time and date for receipt of Forms of Proxy for the General Meeting	2.00 p.m. on 23 October
General Meeting	2.00 p.m. on 25 October
Announcement of results of the General Meeting	25 October

Scheme

Publication of this Prospectus	22 September
First New Dawn General Meeting	2.00 p.m. on 23 October
Record Date for entitlements under the Scheme	6.00 p.m. on 1 November
Calculation Date for the Scheme	5.00 p.m. on 2 November
Suspension of listing of New Dawn Shares and New Dawn Register closes	7.30 a.m. on 8 November
Second New Dawn General Meeting	10.00 a.m. on 8 November
Effective Date of implementation of the Scheme	8 November
Announcement of results of the Scheme and respective FAVs per share	8 November
Admission and dealings in New Shares commence	8.00 a.m. on 9 November
CREST Accounts credited in respect of New Shares in uncertificated form	8.00 a.m. on 9 November
Certificates despatched by post in respect of New Shares	not later than 10 Business Days from the Effective Date
Cancellation of listing of New Dawn Shares	as soon as practicable after the Effective Date

Note: All references to time in this Prospectus are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the general meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

Details of Admission

The Shares are currently listed on the premium segment of the Official List of the FCA and traded on the Main Market. Applications will be made to the FCA for the New Shares to be admitted to the premium segment of the Official List and to the London Stock Exchange for the New Shares to be admitted to trading on the Main Market. If the Scheme becomes effective, it is expected that the New Shares will be admitted to the Official List, and dealings in the New Shares will commence on the Main Market, on 9 November 2023.

Distribution

The Company will notify New Dawn Shareholders of the number of New Shares to which each Eligible New Dawn Shareholder is entitled and the results of the Issue will be announced by the Company on or around 8 November 2023 via an RIS announcement.

The New Shares will be available to be issued in either certificated form or uncertificated form. Where applicable, share certificates are expected to be dispatched by post by no later than 10 Business Days from the Effective Date.

Dilution

Unless they also hold New Dawn Shares at the relevant date, Existing Shareholders are not able to participate in the Issue and will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Shares issued under the Scheme.

For illustrative purposes only, if 52,752,659 New Shares were to be issued (being the estimated number of Shares that will be issued pursuant to the Issue, assuming that no New Dawn Shareholders exercise their right to dissent from participation in the Scheme, that 25 per cent. of the total New Dawn Shares are elected for the Cash Option, and that the ratio between the DGN FAV per Share and the ABD FAV per Share is 0.673297) then, based on the issued share capital of the Company as at 19 September 2023, and assuming that: (i) an Existing Shareholder is not an Eligible New Dawn Shareholder and is therefore not able to participate in the Issue; and (ii) there had been no change to the Company's issued share capital prior to Admission, an Existing Shareholder holding 1.0 per cent. of the Company's issued Share capital as at 19 September 2023 would then hold approximately 0.68 per cent. of the Company's issued share capital immediately following Admission.

Expenses of the Scheme and Issue

Subject as noted below, in the event that the Scheme is implemented, the Company and New Dawn have each agreed to bear their own costs associated with the Scheme. The fixed direct costs of the Proposals payable by the Company are estimated to be approximately £750,000 (including irrecoverable VAT).

Any costs of realignment/realisation of the New Dawn Portfolio incurred prior to the Calculation Date will be borne by New Dawn, with any such costs incurred after the Calculation Date to be borne by the Enlarged Company. In addition, the Enlarged Company will also incur listing fees in respect of the listing of the New Shares issued under the Scheme and the acquisition costs and taxes based on the value and constitution of the Rollover Pool transferred to the Company.

In the event that implementation of the Scheme does not proceed, each party will bear its own costs.

The AIFM has agreed to make a contribution to the costs of the Scheme by means of a reduction in the management fee payable by the Company to AFML. The fee reduction will constitute a waiver of the management fee that would otherwise be payable by the Company to AFML in respect of the assets transferred by New Dawn to the Company pursuant to the Scheme for the first six months following the completion of the Scheme (the "**AFML Contribution**"). The AFML Contribution is subject to the Company not terminating the Management Agreement (other than for cause as provided for under the Management Agreement) within three years from the Effective Date of the Scheme, failing which the Enlarged Company will be obliged to repay all or part of the AFML Contribution (depending on the point of termination and reducing by one-third on each anniversary of the Effective Date). The AFML Contribution will be for the benefit of the Shareholders of the Enlarged Company following implementation of the Scheme. For the avoidance of doubt, the AFML Contribution will not be taken into account in the calculation of either the DGN FAV per Share or the ABD FAV per Share for the purposes of the Scheme.

No expenses will be charged directly to investors by the Company in connection with the Issue or Admission.

4.3. Why is the Prospectus being produced?

The New Shares are being issued to Eligible New Dawn Shareholders, and to the Liquidators appointed in respect of Excluded New Dawn Shareholders, in connection with the recommended proposals to combine the Company and New Dawn, pursuant to a scheme of reconstruction and winding up of New Dawn under section 110 of the Insolvency Act.

The New Shares are being issued to Eligible New Dawn Shareholders, and to the Liquidators appointed in respect of Excluded New Dawn Shareholders, in consideration for the transfer of the Rollover Pool to the Company. The Rollover Pool will consist of investments aligned with the Company's investment objective and policy as at the Effective Date, together with cash and cash equivalents. Any cash in the Rollover Pool and any proceeds of the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the Company's investment policy.

The Issue will not be underwritten.

There are no conflicts of interest that are material to the Issue or the Admission.

RISK FACTORS

An investment in the Shares carries a number of risks including the risk that the entire investment may be lost. In addition to all other information set out in this Prospectus, the following specific factors should be considered when deciding whether to make an investment in, or otherwise acquire, the Shares. The risks set out below are those which are considered to be the material risks relating to an investment in the Shares as at the date of this Prospectus but are not the only risks relating to the Shares or the Company. No assurance can be given that Shareholders will realise profit on, or recover the value of, their investment in the Shares, or that the Company will achieve any of its target returns. It should be remembered that the price of securities, and the income from them, can go down as well as up.

The success of the Company will depend on the ability of the Investment Manager to pursue the investment policy of the Company successfully and on broader market conditions and the risk factors set out below.

New Dawn Shareholders should note that the risks relating to the Company, its investment policy and strategy and the Shares summarised in the section of this Prospectus headed “*Summary*” are the risks that the Directors and the Prospective Directors believe to be the most essential to an assessment by a New Dawn Shareholder of whether to consider an investment in the Shares. However, as the risks which the Company faces relate to events and depend on circumstances that may or may not occur in the future, New Dawn Shareholders should consider not only the information on the key risks summarised in the section of this Prospectus headed “*Summary*” but also, among other things, the risks and uncertainties described in this “*Risk Factors*” section of this Prospectus. Additional risks and uncertainties not currently known to the Company or the Directors and the Prospective Directors or that the Company or the Directors and the Prospective Directors consider to be immaterial as at the date of this Prospectus may also have a material adverse effect on the Company’s financial condition, business, prospects and results of operations and, consequently, the Company’s NAV and/or the market price of the Shares.

Potential investors in the Shares should review this Prospectus carefully and in its entirety and consult with their professional advisers before acquiring/receiving the Shares.

RISKS RELATING TO THE COMPANY

The Company has no employees and is reliant on the performance of third-party service providers

The Company has no employees and the Directors have been appointed on a non-executive basis. Whilst the Company has taken all reasonable steps to establish and maintain adequate procedures, systems and controls to enable it to comply with its obligations, the Company is reliant upon the performance of third-party service providers (and their delegates) for its executive functions. In particular, the AIFM, the Investment Manager, the Registrar and the Depositary (and their delegates) will be performing services which are integral to the operation of the Company. Misconduct by employees of those service providers and/or their delegates, any failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment, any reputational damage suffered by any service provider and/or the termination of those appointments could have an adverse effect on the Portfolio and the Company’s financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

The Company is subject to the risk of cybersecurity breaches

The information and technology systems of the Company and its service providers (including, in particular, the AIFM and Investment Manager) and their delegates may be vulnerable to operational, information security and related risks resulting from failures of or breaches in cybersecurity, including damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorised persons and security breaches, usage errors by its professionals, power outages and catastrophic events such as fires, tornadoes, floods, hurricanes and earthquakes.

A failure of, or breach in, cybersecurity (“**cyber incidents**”) may cause disruption and impact business operations, potentially resulting in financial losses, interference with the ability to calculate

the Company's Net Asset Value, impediments to trading, the inability of Shareholders to subscribe for, exchange or sell Shares, violations of applicable privacy and other laws, regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs.

While the AIFM and the Investment Manager, along with other service providers (and their delegates), have established business continuity plans in the event of, and risk management strategies, systems, policies and procedures to seek to prevent, cyber incidents, there are inherent limitations in such plans, strategies, systems, policies and procedures, including the possibility that certain risks have not been identified. Furthermore, none of the Company, the AIFM or the Investment Manager and/or the other service providers (or their delegates) can control the cybersecurity plans, strategies, systems, policies and procedures put in place by the entities in which the Company invests.

The Company has a concentrated Shareholder register

The Company has a concentrated Shareholder register, with a small number of large Shareholders holding a significant proportion of the Shares in the Company. As a result, voting may be dominated by a few large Shareholders, which could adversely impact the ability of Shareholders with smaller holdings to influence the direction of the Company. In particular, a small number of large Shareholders may have the ability to decide the outcome of a Continuation Vote against the wishes of minority Shareholders in the Company.

RISKS RELATING TO THE INVESTMENT POLICY

There can be no guarantee that the Company will achieve its investment objective or that investors will get back the full value of their investment

The success of the Company is dependent on the continued ability of the Investment Manager to pursue the Company's investment objective and policy successfully. There can be no assurance that the Investment Manager will continue to be successful in pursuing the Company's investment objective and policy or that the Investment Manager will be able to invest the Company's assets on attractive terms, generate any investment returns for the Company's investors, pay a dividend or avoid investment losses. In addition, the success of the Company will depend on the performance of stock and securities markets in the Asia Pacific region and the economies of this region more broadly.

The investments of the Company are subject to the risk of changes in market prices and/or macroeconomic factors

The Company is dependent upon the Investment Manager's successful implementation of the Company's investment policy and ultimately on the Investment Manager's ability to create an investment portfolio capable of generating attractive returns. The Company is at risk from the failure of the investment strategy implemented by the Investment Manager resulting from changes in market prices and/or macroeconomic factors. As a result of the geographic scope of the Company's investment policy, the Company is particularly influenced by changes in market practices and/or macroeconomic risks in the Asia Pacific region.

The performance of the Company's investments depends to a great extent on correct assessments of the future course of market price movements and economic cycles. There can be no assurance that the Investment Manager will be able to predict accurately these price movements or cycles.

General economic and market conditions, such as currency exchange rates, interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, trade barriers, currency exchange controls and national and international political circumstances may affect the price level, volatility and liquidity of securities and result in losses for the Company. In particular, rising inflation has led central banks to increase interest rates and created volatility in global stock markets. This could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

Other external factors, including those resulting from war (in particular, the current war in Ukraine and any potential future conflict), tensions between nations, incidents of terrorism, major environmental events, pandemics, or responses to such events (such as COVID-19 policies adopted

globally that dampened economic activity and impacted global supply chains) could also have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The Company's investments may be adversely affected by poor performance of markets in the Asia Pacific region

The Company's investments are concentrated in the Asia Pacific (ex Japan) region, which increases the Company's exposure to adverse events associated with this region and may increase the risk of volatile performance over shorter time periods. This could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The Company's investments may be adversely affected by poor performance of a particular sector or industry

The Company's investments are intended to be diversified by sector and industry. The Company's returns may, however, still be adversely affected by the unfavourable performance of particular sectors or industries if they affect the performance or prospects of companies in the Portfolio. This adverse effect may be amplified if more companies in the Portfolio are in, or connected to, the affected sector or industry (in other words, if the Portfolio has a greater concentration of investments in any affected sector or industry). This could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The Company is exposed to emerging market risks

The geographic scope of the Company's investment policy means that the Company has a high degree of exposure to emerging markets. The Company is therefore susceptible to risks associated with making investments in emerging markets which, in addition to those set out above, may include exposure to less developed or less rigorously enforced investor protection laws or less favourable insolvency regimes for creditors. This may impact upon the value of a company in the Portfolio and revenues received from any companies in the Portfolio domiciled in (or traded on a stock market that is located in) such emerging jurisdictions, particularly in times of distress for the relevant company in the Portfolio. If any of these risks materialised, it could have an adverse impact on the Company's Net Asset Value and/or the market price of the Shares, and the returns generated for Shareholders.

The Company may be exposed to legal, political or other market risks through investing in companies in the Portfolio located in overseas jurisdictions or traded on overseas stock markets

The Company invests in companies incorporated or traded on stock markets outside of the United Kingdom, principally in the Asia Pacific region, which exposes the Company to the following risks:

- adverse changes in local economic and political stability in countries in which a company in the Portfolio is incorporated or the stock market on which the company in the Portfolio is traded, particularly where such situations impact the revenues generated by that company, returns made to overseas investors in that company, or other investor rights in relation to that company (such as liquidity rights);
- exchange rate fluctuations between Sterling and the currency of a jurisdiction in which a company in the Portfolio is domiciled or generates its income;
- unexpected changes in the regulatory environment, such as changes to a country's (or an overseas stock market's) rules relating to: (i) investor protection or liquidity rights; (ii) listing on that stock market, particularly where such rules become materially more burdensome for a company in the Portfolio; (iii) payment of returns to overseas investors (whether as capital or income); or (iv) eligibility of overseas investors to invest in a company in the Portfolio;
- tax systems that may have an adverse effect on the revenue received by the Company and, in particular, regulations relating to the imposition of any withholding taxes on the repatriation of capital or income from those jurisdictions in which companies in the Portfolio are domiciled or generate income; and

- the imposition, in the future, of any sanctions and corresponding banking restrictions in respect of a jurisdiction in which a company in the Portfolio is incorporated or the stock market on which the company in the Portfolio is traded.

Any of the above may have an adverse effect on the value of a company in the Portfolio and revenues received by the Company from the relevant company in the Portfolio, which would in turn have an adverse effect on the Company's financial condition, business, prospects and results of operations and, consequently, the Company's Net Asset Value and/or the market price of the Shares, and the returns generated for Shareholders.

The Company invests in the Chinese securities market, which exposes the Company to risks associated with China's legal and regulatory systems and market infrastructure, as well as political and geopolitical risks associated with investments in China

As noted, the Company invests in emerging markets which can bring their own risks but it should be noted that China currently represents the Company's largest individual geographic exposure, as at the date of this Prospectus. While investing in the securities market in China is subject to the risks associated with investing in emerging markets generally, there are certain China-specific risks, such as greater government control of the economy and currency related-risks, including possible restrictions on repatriation of foreign currency. Government economic reforms have contributed to growth, but there is no guarantee that such reforms will continue. The Company may invest in companies with Variable Interest Entity (VIE) structures in order to gain exposure to industries with foreign ownership restrictions. There is a risk that investments in these structures may be adversely affected by changes in the legal and regulatory framework.

Any uncertainty surrounding China's legal and regulatory systems and market infrastructure could have an adverse impact on investor confidence in the Chinese market, which could have a resultant impact on the value and liquidity of the Company's investments in China.

The relationship between China and Taiwan is particularly sensitive at present and any deterioration in this may present a risk to the Company's investments in both countries.

There are also geopolitical tensions between China and the West at present and any escalation of these tensions could adversely affect the performance of the Chinese securities in which the Company invests. It could also result in economic sanctions being imposed against China or China imposing its own suite of economic sanctions against the West. The imposition of such sanctions could result in operational challenges in relation to trade settlements and may impact the Company's ability to sell investments in the Chinese markets or transfer funds out of China, which may adversely impact the Company's Net Asset Value and/or the market price of the Shares, and the returns generated for Shareholders.

Crystallisation of any of these risks could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

The Company's investments may be adversely affected by the failure of investee companies to comply with applicable environmental, social and governance standards

The Company invests in the securities of trading companies and any failure of these companies to comply with applicable environmental, social and governance factors or engagement by these companies in otherwise unethical practices may adversely impact the performance of such companies and/or result in regulatory fines or sanctions being levied on such companies. This could result in negative investor sentiment towards these companies which may in turn adversely impact the performance and value of an investment in the relevant company. Any such decrease in performance or value could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

The Company may accumulate investment positions which represent more than normal daily trading volumes which may make it difficult to realise investments and may lead to volatility in the market price of the Shares

Trading volumes in certain securities of emerging markets can be low. The Investment Manager may accumulate investment positions across all its managed funds that represent a significant multiple of

the daily trading volumes of an investment which may result in a lack of liquidity and price volatility. Accordingly, the Company will not necessarily be able to realise, within a short period of time, an illiquid investment and any such realisation that may be achieved may be at considerably lower prices than the Company's valuation of that investment for the purpose of calculating the NAV per Share, which may lead to volatility in the market price of the Shares.

The Company is, and will continue to be, exposed to foreign exchange risk

The Company has and may in the future have further investments denominated in currencies other than Sterling. The Company therefore is and will continue to be exposed to foreign exchange risk. Changes in the rates of exchange between Sterling and any currency will cause the value of any investment denominated in that currency, and any income arising out of the relevant investment, to go down or up in Sterling terms. The Company will also be exposed to foreign exchange risk as a result of non-Sterling borrowings and, in addition, there is further foreign exchange risk where the currency denominations of the Company's borrowings diverge from the currency denominations of its underlying assets.

The Company may enter into hedging transactions to mitigate its exposure to fluctuations in foreign exchange rates. However, such currency exposure could have an adverse effect on the Portfolio and the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The review process that the Investment Manager undertakes in evaluating the Company's investments may not reveal all facts that may be relevant in connection with such investments

Before making investments in accordance with the Company's investment policy, the Investment Manager conducts such due diligence as it deems reasonable and appropriate based on the facts and circumstances applicable to each investment. There can be no assurance that due diligence investigations with respect to any investment opportunity will reveal or highlight all relevant facts that may be necessary or helpful in evaluating that investment opportunity.

The investments in the Portfolio are also subject to ongoing review by the Investment Manager. There can similarly be no assurance that such ongoing review will reveal or highlight all relevant facts that may be necessary or helpful in evaluating the best course of action to take in respect of individual investments within the Portfolio or the Portfolio as a whole.

Any failure by the Investment Manager to identify relevant facts through the due diligence and ongoing review process may lead to inappropriate investment decisions being made, which could have an adverse effect on the value of the Portfolio, the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the returns to Shareholders and the market value of the Shares.

The Company's investment strategy may involve the use of leverage, which exposes the Company to risks associated with borrowings

The Company may use borrowings and other gearing to seek to enhance investment returns. Whilst the use of borrowings should enhance the total return on the Shares where the return on the Company's underlying assets is positive and exceeds the cost of the borrowings, it will have the opposite effect where the return on the Company's underlying assets is at a lower rate than the cost of the borrowings, reducing the total return on the Shares. As a result, the use of borrowings by the Company may increase the volatility of the NAV per Share.

As a result of gearing, any reduction in the value of the Company's investments may lead to a correspondingly greater percentage reduction in its NAV (which is likely to adversely affect the price of a Share). Any reduction in the number of Shares in issue (for example, as a result of share buybacks) will, in the absence of a corresponding reduction in gearing, result in an increase in the Company's level of gearing.

To the extent that a fall in the value of the Company's investments causes gearing to rise to a level that is not consistent with the Company's gearing policy or borrowing limits, the Company may have to sell investments in order to reduce borrowings, which may give rise to a significant loss of value compared to the book value of the investments, as well as a reduction in income from investments.

No assurance can be given that any sales of the Company's investments would realise proceeds which would be sufficient to repay any borrowings.

There is no guarantee that any borrowings of the Company will be refinanced on their maturity, either on terms that are acceptable to the Company or at all.

The Company will pay interest on any borrowings and, as such, the Company will be exposed to interest rate risk due to fluctuations in the prevailing market rates. The Company may employ hedging techniques designed to reduce the risk of adverse movements in interest rates. However, such strategies may also result in losses and overall poorer performance than if the Company had not entered into such hedging transactions.

The Company must be able to operate within its banking covenants

The borrowings which the Company uses contain certain covenants, being the accepted market practice. If assets owned by the Company decrease in value, such covenants could be breached, and the impact of such an event could include: an increase in borrowing costs; a call for additional capital from the lender; payment of a fee to the lender; or a sale of an asset. This could result in a total or partial loss of equity value for each specific asset, or indeed the Company as a whole.

The Company is subject to risks associated with any hedging or derivative transactions in which it participates

The Company may use derivatives for the purpose of efficient portfolio management (including reducing, transferring or eliminating investment risk in its investments and protection against currency risk) and for investment purposes. Derivative transactions may be volatile and involve various risks different from, and in certain cases, greater than the risks presented by other instruments. The primary risks related to derivative transactions include counterparty, correlation, illiquidity, leverage, volatility and over-the-counter trading risks.

Counterparty risk is the risk that a counterparty in a derivative transaction will not fulfil its contractual or financial obligations to the Company or the risk that the reference entity in a swap or similar derivative will not fulfil its contractual or financial obligations. Correlation risk is the risk that an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Company from achieving the intended hedging effect or expose the Company to the risk of loss. Liquidity risk is the risk that derivative transactions may not be liquid in all circumstances, such that in volatile markets it may not be possible to close out a position without incurring a loss.

Leverage may be generated through the use of such financial instruments, which inherently contain much greater leverage than a non-margined purchase of the underlying security or instrument. This is due to the fact that, generally, only a very small portion (and in some cases none) of the value of the underlying security or instrument is required to be paid in order to make such leveraged investments. As a result of any leverage employed by the Company, small changes in the value of the underlying assets may cause a relatively large change in the Net Asset Value of the Company. A small investment in derivatives could have a large potential impact on the Company's performance, effecting a form of investment leverage on the Portfolio. In certain types of derivative transactions, the entire amount of the investment could be lost. In other types of derivative transactions, the potential loss is theoretically unlimited.

Volatility risk is the risk resulting from the fact that the prices of many derivative instruments, including many options and swaps, are highly volatile, due to being influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programmes and policies of governments, and national and international political and economic events and policies, as well as (in the case of options and swaps agreements) the price of the securities or currencies underlying the relevant derivative agreement.

Transactions in over-the-counter contracts may involve additional risk as there is no exchange market on which to close out an open position.

Accordingly, the Company's use of derivative instruments may expose the Company to greater risk and have a material adverse effect on the Company's performance.

RISKS RELATING TO THE AIFM AND INVESTMENT MANAGER

The success of the Company is dependent on the AIFM and the Investment Manager and their expertise, key personnel, and ability to source and advise appropriately on investments

In accordance with the Management Agreement, the AIFM is solely responsible for the management of the Company's investments, with the AIFM delegating its portfolio management responsibilities to the Investment Manager. The Company does not have any employees and its Directors are appointed on a non-executive basis. All of its investment and asset management decisions are in the ordinary course made by the AIFM and the Investment Manager (and any of their delegates) and not by the Company. The Investment Manager is not required to, and generally does not, submit individual investment decisions for approval to the Board. The Company is therefore reliant upon, and its success depends on, the AIFM and the Investment Manager and their personnel, services and resources.

Returns on Shareholders' investments in Shares will depend upon the AIFM's and the Investment Manager's ability to source and make successful investments on behalf of the Company in the face of competition from other entities seeking to invest in investment opportunities identified for the Company. Competition can create significant upward pressure on pricing, thereby reducing the potential investment returns. There is no guarantee that competitive pressures will not have a material adverse effect on the Company's financial position and returns for investors.

Many of the AIFM's and the Investment Manager's investment decisions will depend upon the ability of their employees and agents to carry out due diligence and obtain relevant information. There can be no guarantee that such information will be available or that the AIFM and the Investment Manager and their employees and agents will be able to obtain it. The AIFM and the Investment Manager may be required to make investment decisions without complete information, or in reliance upon information provided by third parties that is impossible or impracticable to fully verify. Further, the AIFM and the Investment Manager may not conduct due diligence which is wide enough in scope to reveal the potential risks of a particular investment. There can be no assurance that the AIFM and the Investment Manager will correctly identify and evaluate the nature and magnitude of the various factors that could affect the value of and return on the Company's investments. Any failure by the AIFM and the Investment Manager to perform effective due diligence on potential investments may adversely affect the investment returns expected from a particular investment.

Further, the ability of the Company to pursue its investment policy successfully depends on the continued service of key personnel of the AIFM and the Investment Manager, and/or the AIFM's and the Investment Manager's ability to recruit individuals of similar experience and calibre. Whilst the AIFM and the Investment Manager seek to ensure that the principal members of its management teams are suitably incentivised, the retention of key members of those teams cannot be guaranteed. There is no guarantee that following the death, disability or departure from the AIFM or the Investment Manager of any key personnel the AIFM or the Investment Manager would be able to recruit a suitable replacement or avoid any delay in doing so. The loss of key personnel and any inability to recruit an appropriate replacement in a timely fashion could have an adverse effect on the future performance of the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The AIFM and the Investment Manager are not required to commit all of their resources to the Company's affairs. Insofar as the AIFM and the Investment Manager devote resources to their responsibilities to other business interests, their ability to devote resources and attention to the Company's affairs will be limited. This could adversely affect the Company's ability to achieve its investment objective, which could have a material adverse effect on the Company's profitability, the Company's NAV per Share and the market price of the Shares.

There can be no assurance that the Board would be able to find a replacement alternative investment fund manager or investment manager if the AIFM or the Investment Manager were to resign or the Management Agreement were to be terminated

Under the terms of the Management Agreement, the AIFM may resign as the Company's manager by giving the Company not less than six months' written notice. Further, the Management Agreement may be terminated immediately upon notice by the AIFM or by the Company in certain circumstances.

The Board would, in such circumstances, have to find a replacement alternative investment fund manager and/or investment manager for the Company. There can be no assurance that a replacement with the necessary skills and experience would be available and could be appointed on terms acceptable to the Company. If the Management Agreement is terminated and a suitable replacement is not secured in a timely manner, this could have an adverse effect on the future performance of the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

The past performance of investments made by the AIFM and the Investment Manager is not a guarantee or an indication of the future performance of the Company

The information contained in this Prospectus relating to the prior performance of investments made by the AIFM and the Investment Manager on behalf of the Company is being provided for illustrative purposes only and is not indicative of the likely future performance of the Company. In considering the prior performance information contained in this Prospectus, New Dawn Shareholders should bear in mind that past performance is not necessarily indicative of future results and there can be no assurance that the Company will achieve comparable results or be able to avoid losses.

The AIFM, the Investment Manager and their affiliates serve as the alternative investment fund manager, investment manager and/or investment adviser to other clients, including funds and managed accounts that have similar investment objectives and policies to that of the Company, which may on occasion give rise to conflicts of interest with the Company

The AIFM, the Investment Manager and their affiliates serve as the alternative investment fund manager, investment manager and/or investment adviser to other clients, including funds and managed accounts that have similar investment objectives and policies to that of the Company. These investment management services may on occasion give rise to conflicts of interest with the Company and may have a material adverse effect on the Company's business, financial condition, results of operations and the market price of the Shares. For example, the AIFM, the Investment Manager and/or their affiliates may have conflicts of interest in allocating their time and activity between the Company and their other clients, in allocating investments among the Company and their other clients and in effecting transactions between the Company and other clients, including ones in which the AIFM, the Investment Manager and/or their affiliates may have a greater financial interest. Furthermore, the AIFM and the Investment Manager may provide services to certain in-house funds into which the Company may invest which may give rise to a conflict of interest. There can be no assurance that the AIFM and the Investment Manager will resolve all conflicts of interest in a manner that is favourable to the Company.

Reputational risks, including those arising from litigation against the AIFM, the Investment Manager or the Company, may disrupt the Company's investment strategy and growth

The Company may be exposed to reputational risks, including from time to time the risk that litigation, misconduct, operational failures, negative publicity and press speculation (whether or not valid) may harm the reputation of the AIFM, the Investment Manager or the Company. If the AIFM, the Investment Manager or the Company or any of its Directors is named as a party to litigation or becomes involved in regulatory inquiries, this could cause substantial reputational damage to the AIFM, the Investment Manager and the Company and result in potential counterparties and other third parties being unwilling to deal with the AIFM, the Investment Manager and/or the Company. Damage to the reputation of the AIFM, the Investment Manager and/or the Company may disrupt the Company's investment strategy, business or potential growth, which could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on returns to Shareholders and the market value of the Shares.

RISKS RELATING TO REGULATION, TAXATION AND THE COMPANY'S OPERATING ENVIRONMENT

Changes in taxation legislation or practice may adversely affect the Company and the tax treatment for Shareholders investing in the Company

Any change in the Company's tax status, or in taxation legislation or practice in the United Kingdom or other jurisdictions to which the Company has exposure (including the jurisdictions in which

companies in the Portfolio are based), could, depending on the nature of such change, adversely affect the value of investments in the Portfolio and the Company's ability to achieve its investment objective, or alter the post-tax returns to Shareholders. Statements in this Prospectus concerning the taxation of the Company and taxation of Shareholders are based upon current UK tax law and published practice, any aspect of which is in principle subject to change (potentially with retrospective effect) that could adversely affect the ability of the Company to pursue successfully its investment policy and/or which could adversely affect the taxation of the Company and the Shareholders.

Existing and potential investors should consult their tax advisers with respect to their own tax position before deciding whether to invest in the Company.

Loss of investment trust status may adversely affect the Company and the tax treatment for Shareholders investing in the Company

It is the intention of the Directors to continue to conduct the affairs of the Company so as to satisfy the conditions under section 1158 of the Corporation Tax Act and the Investment Trust Tax Regulations and, accordingly, for the Company to retain approval as an investment trust. In respect of each accounting period for which the Company is an approved investment trust, the Company will be exempt from UK corporation tax on chargeable gains. There is a risk that if the Company fails to maintain its status as an investment trust, the Company would be subject to the normal rates of corporation tax on chargeable gains arising on the transfer or disposal of investments and other assets, which could adversely affect the Company's financial performance, its ability to provide returns to its Shareholders or the post-tax returns received by its Shareholders. In addition, it is not possible to guarantee that the Company will remain a non-close company, which is a requirement to maintain investment trust status, as the Shares are freely transferable. In the event that the Company fails to continue to satisfy the criteria for maintaining investment trust status, the Company will, as soon as reasonably practicable, notify Shareholders of this fact.

Changes in laws or regulations governing the Company's or the Investment Manager's operations may adversely affect the business and performance of the Company

The Company and the Investment Manager are subject to laws and regulations enacted by national and local governments.

The Company, as a closed-ended investment company incorporated in Scotland, is subject to various laws and regulations in such capacity, including the Listing Rules, the Prospectus Regulation Rules, the Disclosure Guidance and Transparency Rules, UK MAR, the UK AIFMD Laws, the EU AIFM Directive, the UK PRIIPs Laws, the AIC Code and the Companies Act. The Company will be subject also to the continuing obligations imposed on all investment companies whose shares are admitted to trading on the Main Market and to listing on the premium listing category of the Official List. These rules, regulations and laws govern the way that, amongst other things, the Company is operated (i.e. its governance), how its Shares can be marketed and how it must deal with its Shareholders, together with requiring the Company to make certain reports, filings and notifications (and governing their respective content).

Any changes to the rules, laws and regulations affecting the Company, the AIFM and the Investment Manager could have an adverse effect on the Portfolio and on the Company's financial condition, results of operations and prospects, with a consequential adverse effect on the market value of the Shares.

Shareholders may be subject to withholding and forced transfers under FATCA and there may also be reporting of Shareholders under other exchange of information arrangements

The UK has concluded an intergovernmental agreement ("IGA") with the US (the "US-UK IGA"), pursuant to which parts of FATCA have effectively been incorporated into UK law. Under the US-UK IGA a Foreign Financial Institution that is resident in the UK (a "Reporting FI") is not subject to withholding under FATCA provided that it complies with the terms of the US-UK IGA, including requirements to register with the IRS and requirements to identify, and report certain information on, accounts held by certain US persons owning, directly or indirectly, an equity or debt interest in the company (other than equity and debt interests that are regularly traded on an established securities market, as described below) and report on accounts held by certain other persons or entities to HMRC, which will exchange such information with the IRS.

The Company expects that it will be treated as a Reporting FI pursuant to the US-UK IGA and that it will comply with the requirements under the US-UK IGA and relevant UK legislation. The Company also expects that its Shares may, in accordance with the current HMRC practice, comply with the conditions set out in the US-UK IGA to be “regularly traded on an established securities market” meaning that the Company should not have to report specific information on its Shareholders and their investments to HMRC.

However, there can be no assurance that the Company will be treated as a Reporting FI, that its Shares will be considered to be “regularly traded on an established securities market” or that it will not in the future be subject to withholding tax under FATCA or the US-UK IGA.

The UK has also implemented the CRS, under which the Company may be required to collect and report to HMRC certain information regarding Shareholders and HMRC may pass this information on to tax authorities in other jurisdictions.

The requirements under FATCA, the CRS and similar regimes and any related legislation, IGAs and/or regulations may impose additional burdens and costs on the Company or Shareholders. There is no guarantee that the Company will be able to satisfy such obligations and any failure to comply may materially adversely affect the Company’s business, financial condition, results of operations, NAV and/or the market price of the Shares. In addition, there can be no guarantee that any payments in respect of the Shares will not be subject to withholding tax under FATCA. To the extent that such withholding tax applies, the Company is not required to pay any additional amounts to Shareholders.

In acquiring Shares, each Shareholder is agreeing, upon the request of the Company or its delegate, to provide such information as is necessary to comply with FATCA, the CRS and other similar regimes and any related legislation, IGAs and/or regulations. In particular, investors should be aware that certain forced transfer provisions contained in the Articles may apply in the case that the Company suffers any pecuniary disadvantage as a result of the Company’s failure to comply with FATCA.

Investors should consult with their respective tax advisers regarding the possible implications of FATCA, the CRS and similar regimes concerning the automatic exchange of information and any related legislation, IGAs and/or regulations.

The Company has not, does not intend to and may be unable to become registered as an investment company under the US Investment Company Act and related rules

The Company has not, does not intend to and may be unable to become registered with the SEC as an “investment company” under the US Investment Company Act and related rules. The US Investment Company Act provides certain protections to investors and imposes certain restrictions on companies that are registered as investment companies. As the Company is not so registered, does not intend to so register and may be unable to so register, none of these protections or restrictions are or will be applicable to the Company. However, if the Company were to become subject to the US Investment Company Act because of a change of law or otherwise, the various restrictions imposed by the US Investment Company Act, and the substantial costs and burdens of compliance therewith, could adversely affect the operating results and financial performance of the Company. Moreover, parties to a contract with an entity that has improperly failed to register as an investment company under the US Investment Company Act may be entitled to cancel or otherwise void their contracts with the unregistered entity and shareholders in that entity may be entitled to withdraw their investment. In order to ensure compliance with exemptions that permit the Company to avoid being required to register as an investment company under the US Investment Company Act and related rules, the Company has implemented appropriate restrictions on the ownership and transfer of Shares, which may affect a US investor’s ability to hold or transfer Shares and may in certain circumstances require the US investor to transfer or sell its Shares.

The ability of certain persons to hold Shares and make secondary transfers in the future may be restricted as a result of ERISA and other regulatory considerations

Each initial purchaser and subsequent transferee of New Shares is required to represent and warrant or will be deemed to represent and warrant that it is not a “benefit plan investor” as defined in Section 3(3) of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), and that it is not, and is not using assets of, a plan or other arrangement subject to

provisions under applicable federal, state, local, non-US or other laws or regulations that are substantially similar to Section 406 of ERISA or Section 4975 of the U.S. Internal Revenue Code of 1986, as amended (the “**US Tax Code**”), unless its purchase/receipt of, holding and disposition of New Shares does not constitute or result in a non-exempt prohibited transaction or violation of any such substantially similar law.

The inability of the Board to control the level of ERISA holdings in the Company may have significant implications for the Company, the AIFM and the Investment Manager under US securities laws

The Board is proposing amendments to the Company’s existing articles of association at the General Meeting. If the Revised Articles are adopted at the General Meeting, the Company will have certain powers to enable the Company to assess and control the level of ERISA holdings in the Company, including power to request shareholders and proposed investors to provide information about their ERISA holdings and other legal status, power to refuse to register a transfer or allotment of shares to known or suspected ERISA investors, and power to force the transfer of shares held by or on behalf of, or proposed to be held by or on behalf of, ERISA investors.

Implementation of the Scheme is not conditional on the passing of Resolution 3 (i.e. on Shareholders approving the adoption of the Revised Articles). If the Revised Articles are not adopted at the General Meeting, the Company will not have the ability to control the level of ERISA holdings in the Company. Significant additional compliance and legal costs would be incurred by the Company and the AIFM if the aggregate ERISA holdings in the Company exceed 25 per cent. at any time.

RISKS RELATING TO AN INVESTMENT IN THE SHARES

Investors may not recover the full amount of their investment in the Shares

The Company’s ability to achieve its investment objective and pursue its investment policy successfully may be adversely affected by the manifestation of any of the risks described in this “*Risk Factors*” section of this Prospectus or other market conditions (or significant changes thereto). The market price of the Shares may fluctuate significantly, particularly in the short term, and potential investors should regard an investment in the Shares as a medium to long term investment.

As with any investment, the price of the Shares may fall in value. The maximum loss on an investment in the Shares is equal to the value of the initial investment and, where relevant, any gains or subsequent investments made. Investors therefore may not recover the full amount initially invested in the Shares, or any amount at all.

The Shares may trade at a discount to Net Asset Value and the price that can be realised for Shares will be subject to market fluctuations

It is unlikely that the price at which the Shares trade will be the same as their Net Asset Value (although they are related). The shares of an investment company such as the Company may trade at a discount to their net asset value. This could be due to a variety of factors, including due to market conditions or an imbalance between supply and demand for the Shares. While the Directors may seek to mitigate the discount to Net Asset Value through such discount management mechanisms as they consider appropriate, there can be no guarantee that they will do so or that such efforts will be successful. As a result of this, investors that dispose of their interests in the Shares in the secondary market may realise returns that are lower than they would have been if an amount equivalent to the Net Asset Value was distributed.

The market price of the Shares may fluctuate significantly and Shareholders may not be able to sell Shares at or above the price at which they purchased those Shares. Factors that may cause the price of the Shares to vary include those detailed in this “*Risk Factors*” section of this Prospectus, such as: changes in the Company’s financial performance and prospects, or in the financial performance and market prospects of the Company’s investments or those which are engaged in businesses that are similar to the Company’s business; the termination of the Management Agreement or the departure of some or all of the AIFM’s or the Investment Manager’s key investment professionals; changes in or new interpretations or applications of laws and regulations that are applicable to the Company’s business or to the companies in which the Company makes investments; general economic trends and other external factors, including those resulting from war

(in particular, the current war in Ukraine and any potential future conflict, incidents of terrorism, pandemics or responses to such events (such as COVID-19 policies adopted globally that dampened economic activity and impacted global supply chains); poor performance in any of the Investment Manager's activities or any event that affects the Company's or the Investment Manager's reputation; speculation in the press or investment community regarding the Company's business or investments, or factors or events that may directly or indirectly affect the Company's business or investments; and foreign exchange risk as a result of making and selling equity investments denominated in currencies other than Sterling.

Securities markets in general have experienced extreme volatility that has often been unrelated to the operating performance or fundamentals of individual companies. Market fluctuations may adversely affect the trading price of the Shares. As with any investment, the price of the Shares may fall in value with the maximum loss on such investments being equal to the value of the initial investment and, where relevant, any gains on subsequent investments made.

It may be difficult for Shareholders to realise their investment as there may not be a liquid market in the Shares, and Shareholders have no right to have their Shares redeemed or repurchased by the Company

Admission should not be taken as implying that there will be an active and liquid market for the Shares. Limited liquidity in the Shares may affect: (i) an investor's ability to realise some or all of its/their investment; and/or (ii) the price at which such Shares trade in the secondary market. The price at which the Shares will be traded will be influenced by a variety of factors, some specific to the Company and its investments and some which may affect companies generally.

Further, the Company is a closed-ended investment company and Shareholders will have no right to have their Shares redeemed or repurchased by the Company at any time. Subject to the Companies Act, the Directors retain the right to effect repurchases of Shares. However, they are under no obligation to use such powers at any time and Shareholders should not place any reliance on the willingness of the Directors to exercise such powers. Shareholders wishing to realise their investment in the Company may therefore be required to dispose of their Shares in the market. There can be no guarantee that a liquid market in the Shares will develop or that the Shares will trade at prices close to their underlying Net Asset Value. Accordingly, Shareholders may be unable to realise their investment at such Net Asset Value, or at all.

The Company may in the future issue new Shares which may dilute Shareholders' equity or have a detrimental effect on the market price of the Shares

Further issues of Shares may, subject to compliance with the relevant provisions of the Companies Act and the Articles, be made on a non pre-emptive basis. Any such issue may dilute the percentage of the Company held by Shareholders. Additionally, such issues could have an adverse effect on the market price of the Shares.

Potential future Share buybacks or tender offers undertaken by the Company may make the residual Shares less liquid or increase the Company's level of gearing

Any reduction in the issued Share capital of the Company as a result of any Share buyback(s) undertaken by the Company or, more significantly, any tender offer undertaken by the Company, may, depending on the size and nature of such buyback(s) or tender offer, reduce the liquidity of the remaining Shares in issue. In addition, as noted above, any reduction in the number of Shares in issue will, in the absence of a corresponding reduction in gearing, result in an increase in the Company's level of gearing.

The Shares are subject to significant transfer restrictions for Shareholders in the United States

The New Shares have not been and will not be registered under the US Securities Act, and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, US Persons, except pursuant to an exemption from the registration requirements of the US Securities Act and in a manner that would not result in the Company being required to register under the US Investment Company Act. There has not been, and will not be, any public offer of the New Shares in the United States.

There are significant restrictions on the purchase and resale of Shares by Shareholders located in the United States, that are US Persons, or who hold Shares for the account or benefit of US Persons and on the resale of Shares by any Shareholders to any person located in the United States or to, or for the account or benefit of, a US Person. If in the future the initial purchaser, as well as any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the Shares, they may do so only: (i) outside the United States in an “offshore transaction” complying with the provisions of Regulation S under the US Securities Act to a person not known by the transferor to be a US Person, by pre-arrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

A US New Dawn Shareholder that does not complete and return a valid US Investor Representation Letter will be deemed to be an Ineligible US Shareholder and will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New Shares in respect of the remainder of their New Dawn Shares. Such New Shares will be issued to the Liquidators as nominees for such Ineligible US Shareholder and sold by the Liquidators in the market, with the net proceeds paid to the Ineligible US Shareholder.

RISK RELATING TO THE SCHEME

Implementation of the Scheme is subject to certain conditions

Implementation of the Scheme is conditional, amongst other conditions, upon: (i) the passing of the Resolutions to approve the issue of New Shares pursuant to the Scheme and the Investment Policy Change at the General Meeting (but, for the avoidance of doubt, not on Resolution 3 relating to adoption of the Revised Articles); and (ii) New Dawn Shareholders approving the Scheme. If any condition of the Scheme is not met, the Scheme will not be implemented and certain costs and expenses incurred in connection with the Scheme will be borne by the Company. In these circumstances, the Company and New Dawn would remain as separate investment trusts.

IMPORTANT INFORMATION

General

This Prospectus should be read in its entirety. Prospective investors should rely only on the information contained in this Prospectus or any supplementary prospectus published by the Company prior to Admission. No person has been authorised to give any information or make any representations in connection with the Issue other than the information contained in, or incorporated by reference into, this Prospectus (or any supplementary prospectus published by the Company prior to the date of Admission) and, if given or made, such information or representations about the Company or the Issue must not be relied upon as having been authorised by or on behalf of the Company, the AIFM, the Investment Manager, the Sponsor or any of their respective Affiliates, officers, directors, members, employees or agents.

Without prejudice to the Company's obligations under the UK Prospectus Regulation, the Listing Rules, the Disclosure Guidance and Transparency Rules and UK MAR, neither the delivery of this Prospectus nor the issue of New Shares made pursuant to the Issue shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Company since the date of this Prospectus or that the information contained herein, including any forward-looking statements, is correct as at any time subsequent to the date of this Prospectus.

New Dawn Shareholders should consider carefully all of the information contained in this Prospectus. However, the contents of this Prospectus or any subsequent communications from the Company, the Manager, the Investment Manager, the Sponsor or any of their respective Affiliates, officers, directors, employees or agents, are not to be construed as legal, business or tax advice. The tax legislation of a Shareholder's home jurisdiction may have an impact on the income received by the Shareholder from the Shares. Each prospective investor should consult their own solicitor, financial adviser or tax adviser for legal, financial or tax advice in relation to the acquisition/receipt of New Shares.

The Shares are designed to be held over the long term and may not be suitable as short-term investments. There is no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full amount initially invested, or any amount at all. The investment objective of the Company is a target only and should not be treated as an assurance or guarantee of performance. There can be no assurance that the Company's investment objective will be achieved. The past performance of the Company is not a guarantee of the future performance of the Company. Shareholders will bear the rewards and risks of the success or otherwise of the Company's investments. Although the Shares are, and the New Shares will be, listed on the premium segment of the Official List and admitted to trading on the Main Market, it is possible that there may not be a liquid market in the Shares and Shareholders may have difficulty in selling them.

Apart from the liabilities and responsibilities (if any) which may be imposed on the Sponsor by FSMA or the regulatory regime established thereunder, the Sponsor, its Affiliates, officers, directors, employees or agents make no representations, express or implied, nor accept any responsibility whatsoever for the contents of this Prospectus (or any supplementary prospectus published by the Company prior to Admission) nor for any other statement made or purported to be made by it or on its behalf in connection with the Company, the Manager, the Investment Manager, the New Shares, the Issue or Admission. The Sponsor and its Affiliates, officers, directors, employees and agents, to the fullest extent permitted by law, accordingly disclaim all and any liability (save for statutory liability) whether arising in tort or contract or otherwise which it or they might otherwise have in respect of the contents of the Prospectus or any other statement made or purported to be made by it or on its behalf in connection with the Company, the Shares, the Issue or any transaction or arrangement referred to in this Prospectus.

The distribution of this Prospectus in certain jurisdictions may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions.

All Shareholders are entitled to the benefit of, and are bound by and are deemed to have notice of, the provisions of the Articles of the Company. A summary of the provisions in the Articles relating to

the rights attaching to the Shares, including any limitation of those rights and procedures for the exercise of those rights, is set out in paragraph 5 of Part 7 (*General Information*) of this Prospectus.

Statements made in this Prospectus are based on the law and practice currently in force in England and Wales and are subject to changes in such law and practice.

If you are in doubt about the contents of this Prospectus you should consult your stockbroker, bank manager, solicitor, accountant or other professional or financial adviser.

Selling restrictions

The New Shares are only available to Eligible New Dawn Shareholders and are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also a New Dawn Shareholder) or to the public.

This Prospectus does not constitute, and may not be used for the purposes of, an offer or an invitation to apply for any New Shares by any person: (i) in any jurisdiction in which such offer or invitation is not authorised; or (ii) in any jurisdiction in which the person making such offer or invitation is not qualified to do so; or (iii) to any person to whom it is unlawful to make such offer or invitation.

The distribution of this Prospectus and the offering of New Shares in certain jurisdictions may be restricted. Accordingly, persons into whose possession this Prospectus comes are required to inform themselves about and observe any restrictions as to the offer or sale of New Shares and the distribution of this Prospectus under the laws and regulations of any jurisdiction relevant to them in connection with any proposed applications for New Shares, including obtaining any requisite governmental or other consent and observing any other formality prescribed in such jurisdiction.

Save for in the United Kingdom and save as explicitly stated elsewhere in this Prospectus, no action has been taken or will be taken in any jurisdiction by the Company that would permit a public offering of New Shares in any jurisdiction where action for that purpose is required, nor has any such action been taken with respect to the possession or distribution of this Prospectus in any other jurisdiction where action for that purpose is required.

Notice to prospective investors in the EEA

In relation to each EEA Member State, no New Shares have been offered or will be offered pursuant to the Issue to the public in that EEA Member State prior to the publication of a prospectus in relation to the New Shares which has been approved by the competent authority in that EEA Member State, or, where appropriate, approved in another EEA Member State and notified to the competent authority in that EEA Member State, all in accordance with the EU Prospectus Regulation, except that the New Shares may be offered to the public in that EEA Member State at any time with the prior consent of the Sponsor under the following exemptions under the EU Prospectus Regulation:

- (a) to any legal entity which is a qualified investor as defined in Article 2 of the EU Prospectus Regulation;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) in that EEA Member State; or
- (c) in any other circumstances falling within Article 1(4) of the EU Prospectus Regulation,

provided that no such offer of New Shares shall result in a requirement for the publication of a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplement to a prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to any offer of New Shares in any EEA Member State means a communication in any form and by any means of sufficient

information on the terms of the offer and any New Shares to be offered so as to enable an investor to decide to purchase or subscribe for the New Shares.

Further, the AIFM has not made any notifications or applications or received approvals for the marketing of the New Shares to “professional investors” (as defined in the EU AIFM Directive) in any EEA Member State. Notwithstanding any other statement in this Prospectus, this Prospectus

should not be made available to any New Dawn Shareholder (or any other person) domiciled in any EEA Member State. New Dawn Shareholders domiciled in the EEA that have received the Prospectus in any EEA Member State are not, save as otherwise agreed with the Company, deemed to be an Eligible New Dawn Shareholder and should not subscribe for New Shares (and the Company reserves the right to reject any application so made, without explanation).

Notwithstanding that the AIFM may confirm, from time to time, that it is able to market New Shares to New Dawn Shareholders who are professional investors in an EEA Member State, the New Shares may not be marketed to retail investors (as this term is defined in the EU AIFM Directive as transposed in the relevant EEA Member State) in any EEA Member State unless the New Shares have been qualified for marketing to retail investors in that EEA Member State in accordance with applicable local laws. As at the date of this Prospectus, the New Shares are not eligible to be marketed to retail investors in any EEA Member State. Accordingly, no retail investor in any EEA Member State is considered to be an Eligible New Dawn Shareholder and, as such, the New Shares may not be offered, sold or delivered and neither this Prospectus nor any other offering materials relating to such Shares may be distributed or made available to retail investors in any EEA Member State.

Notice to prospective investors with respect to United States federal securities laws

The New Shares are being offered or sold only: (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act, and (ii) to persons that are both “qualified institutional buyers”, or “QIBs”, as defined in Rule 144A under the US Securities Act and “qualified purchasers” as defined in the US Investment Company Act (“**Qualified Purchasers**”), pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have executed and returned a US investor representation letter, which can be requested from Equiniti at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6JA.

In addition, the Company has not been and will not be registered under the U.S. Investment Company Act of 1940, as amended (the “**US Investment Company Act**”), and investors in the New Shares will not be entitled to the benefits of the US Investment Company Act. The New Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “**US Securities Act**”) and may not be offered, sold, resold, pledged, delivered, assigned or otherwise transferred, directly or indirectly, into or within the United States or to, or for the account or benefit of, any “U.S. persons” as defined in Regulation S under the US Securities Act (“**US Persons**”), except pursuant to an exemption from the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not result in the Company being required to register under the US Investment Company Act. There has not been and there will not be any public offer of the New Shares in the United States.

The Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations and under the Articles. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. For further information on restrictions on transfers of the Shares, please refer to the section titled “*Excluded New Dawn Shareholders*” at paragraph 9 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) the UK’s implementation of EU Directive 2014/65/EU on markets in financial instruments, as amended (“**UK MiFID II**”); and (b) the UK’s implementation of Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing UK MiFID II, and, in particular, Chapter 3 of the Product Intervention and Product Governance Sourcebook of the FCA (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the New Shares have been subject to a product approval process, which has determined that the New Shares to be issued pursuant to the Issue are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in UK MiFID II; and (ii) eligible

for distribution through all distribution channels as are permitted by UK MiFID II (the “**Target Market Assessment**”).

Notwithstanding the Target Market Assessment, distributors (such term to have the same meaning as in the MiFID II Product Governance Requirements) should note that: (i) the price of the New Shares may decline and investors could lose all or part of their investment; (ii) the New Shares offer no guaranteed income and no capital protection; and (iii) an investment in the New Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses which may be equal to the whole amount invested from such an investment. Accordingly, typical investors in the New Shares are expected to be institutional investors, private clients through their wealth managers, experienced investors, high net worth investors, professionally advised investors and retail investors who may have basic or no knowledge and experience of investing in financial markets who have taken appropriate steps to ensure that they understand the risks involved in investing in the Company. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of UK MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the New Shares.

Each distributor is responsible for undertaking its own Target Market Assessment in respect of the Shares when determining appropriate distribution channels.

UK PRIIPs Laws

Investors should be aware that the UK PRIIPs Laws require the AIFM, as PRIIP manufacturer, to prepare a key information document (“**KID**”) in respect of the Company. This KID must be made available by the AIFM to retail investors prior to them making any investment decision and is available to investors at the Company’s website at www.asiadrakontrust.co.uk under “*Literature*”. The Company is not responsible for the information contained in the KID and investors should note that the procedures for calculating the risks, costs and potential returns referred to in the KID are prescribed by law. The figures in the KID may not reflect the expected returns for the Company and anticipated performance returns cannot be guaranteed.

To the extent that New Shares are to be made available to retail investors in the EEA, the Company will make available key information documents under the EU PRIIPs Regulation as required.

The AIFM is the only manufacturer of the Shares for the purposes of the UK PRIIPs Laws and EU PRIIPs Regulation, and the Sponsor is not a manufacturer for these purposes. The Sponsor does not make any representation, express or implied, nor accept any responsibility whatsoever for the contents of the KID(s) prepared in respect of an investment in the Shares nor accepts any responsibility to update the contents of the KID(s) in accordance with the UK PRIIPs Regulation or and EU PRIIPs Regulation, to undertake any review processes in relation thereto or to provide the KID(s) to future distributors of Shares. Accordingly, the Sponsor disclaims all and any liability whether arising in tort or contract or otherwise which it might have in respect of any KID prepared in respect of an investment in the Shares from time to time.

Non-mainstream pooled investments status and UK MiFID II

As the Company is a closed-ended investment company which is an investment trust domiciled in the United Kingdom, the New Shares will be “excluded securities” under the FCA’s rules on non-mainstream pooled investments. Accordingly, the promotion of the Shares is not subject to the FCA’s restriction on the promotion of non-mainstream pooled investments. The Company intends to continue to conduct its affairs so that the Shares can be recommended by financial advisers to retail investors in accordance with the rules on the distribution of financial instruments under UK MiFID II. The Directors consider that the New Shares should be considered “non-complex” for the purposes of UK MiFID II.

Data protection

The information that a prospective investor provides to the Company or its agents in relation to the Issue or subsequently, by whatever means, which relates to prospective investors who are individuals or a third party individual (“**personal data**”) will be held and processed by the Company in compliance with relevant data protection legislation and regulatory requirements. Such personal data may include:

- personal details such as name, title, date of birth, addresses, telephone numbers and email addresses;
- identification and verification information and documents, such as signatures, passports, driving licences, birth/marriage certificates and tax/credit references; and
- financial and transactional information, and instructions, relating to an investment.

Each prospective investor acknowledges that such information will be held and processed by the Company for the following purposes:

- the performance of the Company’s contract with the prospective investor;
- acting in a way that is necessary for the Company’s legitimate interests, including carrying out the business of the Company and the administering of interests in the Company;
- complying with the legal, regulatory, reporting and/or financial obligations of the Company in the UK or elsewhere, including verifying the identity of the prospective investor to comply with statutory and regulatory requirements in relation to anti-money laundering procedures; and
- disclosing personal data to other functionaries of, or advisers to, the Company to operate and/or administer the Company.

Each prospective investor acknowledges that, where appropriate, it may be necessary for the Company to:

- disclose personal data to third party service providers, affiliates, agents or functionaries appointed by the Company or its agents to provide services to the prospective investor; and
- transfer personal data outside of the UK and/or EEA Member States to countries or territories which may not offer the same level of protection of personal data provided that, in each case, adequate safeguards are in place for the protection of such personal data in accordance with the relevant data protection legislation and regulatory requirements in the United Kingdom and/or EEA (as applicable).

Personal data relating to prospective investors shall be retained by the Company for as long as necessary to fulfil the purposes it was collected for, including for the purposes of satisfying any legal or regulatory requirements.

Individuals have certain rights in relation to their personal data; specifically, the right to be informed, the right of access, the right to rectification, the right to erasure, the right to restrict processing, the right to data portability, the right to object to processing and the right to complain to the relevant supervisory authority (which, in the United Kingdom, is the UK Information Commissioner’s Office).

Prospective investors acknowledge that each of the AIFM and the Investment Manager will be a separate controller of the personal data and such personal data shall be held and processed by the AIFM and/or Investment Manager in compliance with relevant data protection legislation and regulatory requirements, and the AIFM and Investment Manager’s privacy policy (available at www.asiadrakontrust.co.uk/en-gb/privacy).

Prospective investors are responsible for informing and obtaining any required consent of any third party individual to whom the personal data relates to the disclosure and use of such data in accordance with these provisions.

Shareholders will be notified if an updated privacy policy has been published on the Company’s website through an RIS.

Forward-looking statements

This Prospectus includes statements that are, or may be deemed to be, “forward-looking statements”. These forward-looking statements can be identified by the use of forward-looking

terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “expects”, “intends”, “may”, “will”, or “should” or, in each case, their negative or other variations or comparable terminology. These forward-looking statements include matters that are not historical facts and include statements regarding the intentions, beliefs or current expectations of the Company, the Directors, the AIFM or the Investment Manager concerning, amongst other things, the Company’s investment objective and investment policy, the Company’s investment performance, results of operations, financial condition, prospects and dividend policy, and the markets in which the Company invests and/or operates.

By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances that may or may not occur. The Company’s actual investment performance, results of operations, financial condition, dividends paid and its financing strategies may differ materially from the impression created by the forward-looking statements contained in this Prospectus. In addition, even if the investment performance, results of operations, financial condition of the Company and its financing strategies are consistent with the forward-looking statements contained in this Prospectus, those results, its condition or strategies may not be indicative of results, its condition or strategies in subsequent periods. Important factors that could cause these differences include, but are not limited to, the factors set out in the “*Risk Factors*” section of this Prospectus.

Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements in this Prospectus reflect the Company’s view with respect to future events as at the date of this Prospectus and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company’s operations and strategy. The Company, the AIFM, the Investment Manager and the Sponsor undertake no obligation to revise or update any forward-looking statements contained herein (save where required by the Prospectus Regulation Rules, the Listing Rules, UK MAR, EU MAR, the Disclosure Guidance and Transparency Rules, the EU AIFM Directive or the UK AIFMD Laws), whether as a result of new information, future events, conditions or circumstances, any change in the Company’s, the AIFM’s or the Investment Manager’s expectations with regard thereto or otherwise. However, Shareholders are advised to read any communications that the Company may make directly to them, and any additional disclosures in announcements that the Company may make through an RIS following the date of this Prospectus.

Given these uncertainties, New Dawn Shareholders are cautioned not to place any undue reliance on such forward-looking statements and should carefully consider the section of this Prospectus titled “*Risk Factors*” for a discussion of additional factors that could cause the Company’s actual results to differ materially before making any investment decision.

Notwithstanding the foregoing, nothing contained in this Prospectus shall in any way be taken to qualify the working capital statement contained in paragraph 8 of Part 5 (*Financial Information*) of this Prospectus.

Performance data

This Prospectus includes information regarding the track record and performance data of the Investment Manager (the “**Track Record**”). Such information is not necessarily comprehensive and prospective investors should not consider such information to be indicative of the possible future performance of the Company or any investment opportunity to which this Prospectus relates. The past performance of the Investment Manager is not a reliable indicator of, and cannot be relied upon as a guide to, the future performance of the Company and/or the Investment Manager. Prospective investors should be aware that any investment in the Company involves a significant degree of risk, and could result in the loss of all or substantially all of their investment.

For a variety of reasons, the comparability of the Track Record information to the Company’s future performance is by its nature very limited. Without limitation, results can be positively or negatively affected by market conditions beyond the control of the Company or the Investment Manager which may be different in many respects from those that prevail at present or in the future, with the result that the performance of portfolios originated now may be significantly different from those originated in the past.

Taxation

Any change in the Company's tax status or in taxation legislation or accounting practice could affect the value of the investments held by the Company, affect the Company's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders. Representations in this Prospectus concerning the taxation of investors are based upon tax law and practice as at the date of this Prospectus, which are, in principle, subject to change (possibly with retrospective effect). Any change in accounting standards may adversely affect the value of the Company's assets and liabilities in its books of account or restrict the ability of the Company to pay dividends.

A guide to the general UK taxation position as at the date of this Prospectus is set out in Part 6 (*UK Taxation*) of this Prospectus.

Tax reporting, FATCA and Common Reporting Standard ("CRS")

Shareholders should furnish any information and documents the Company may from time to time request, including but not limited to information required under FATCA or CRS. Shareholders may be subject to tax reporting under applicable laws. FATCA and CRS documentation and reporting obligations can also arise in respect of Shareholders where third parties hold shares or act on their behalf.

Latest practicable date

In this Prospectus, where the context requires, references to 19 September 2023 should be treated as being references to the latest practicable date prior to the publication of this Prospectus.

Defined Terms

Capitalised terms contained in this Prospectus have the meanings ascribed to them in Part 8 (*Definitions*) of this Prospectus, save where the context indicates otherwise.

No incorporation of website

Without limitation, neither the contents of the Company's website (available at www.asiadrakontrust.co.uk) nor the websites of the AIFM, the Investment Manager or the Sponsor (or any other website) nor the content of any website accessible from hyperlinks on the Company's or the AIFM's or the Investment Manager's or the Sponsor's website (or any other website) is incorporated into, or forms part of this Prospectus, or has been approved by the FCA. Investors should base their decision as to whether or not to invest in the Shares on the contents of this Prospectus (and any supplementary prospectus published by the Company prior to Admission) alone and should consult their professional advisers prior to acquiring/receiving the New Shares.

Enforcement of civil liabilities

The Company is organised as a public limited company incorporated under the laws of Scotland. The majority of the Company's directors and officers are citizens and residents of jurisdictions outside the United States. In addition, the majority of the company's assets and the majority of the assets of the Directors and officers are located outside the United States. As a result, it may not be possible for U.S. investors to effect service of process within the United States upon the company or the Directors and officers located outside the United States or to enforce in the U.S. courts or outside the United States judgments obtained against them in U.S. courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the securities laws of any state or territory within the United States. There is doubt as to the enforceability in Scotland, whether by original actions or by seeking to enforce judgments of U.S. courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in Scotland.

EXPECTED TIMETABLE

2023

General Meeting

Publication of the Circular and Notice of General Meeting	22 September
Latest time and date for receipt of voting Letters of Direction for the General Meeting	2.00 p.m. on 18 October
Latest time and date for receipt of Forms of Proxy for the General Meeting	2.00 p.m. on 23 October
General Meeting	2.00 p.m. on 25 October
Announcement of results of the General Meeting	25 October

Scheme

Publication of this Prospectus	22 September
First New Dawn General Meeting	2.00 p.m. on 23 October
Record Date for entitlements under the Scheme	6.00 p.m. on 1 November
Calculation Date for the Scheme	5.00 p.m. on 2 November
Suspension of listing of New Dawn Shares and New Dawn Register closes	7.30 a.m. on 8 November
Second New Dawn General Meeting	10.00 a.m. on 8 November
Effective Date of implementation of the Scheme	8 November
Announcement of results of the Scheme and respective FAVs per share	8 November
Admission and dealings in New Shares commence	8.00 a.m. on 9 November
CREST Accounts credited in respect of New Shares in uncertificated form	8.00 a.m. on 9 November
Certificates despatched by post in respect of New Shares	not later than 10 Business Days from the Effective Date
Cancellation of listing of New Dawn Shares	as soon as practicable after the Effective Date

Note: All references to time in this Prospectus are to UK time. Each of the times and dates in the above expected timetable (other than in relation to the general meetings) may be extended or brought forward. If any of the above times and/or dates change, the revised time(s) and/or date(s) will be notified to Shareholders by an announcement through a Regulatory Information Service.

ISSUE STATISTICS

Number of New Shares to be issued

Based on a ratio between the DGN FAV per Share and ABD FAV per Share of 0.673297 (which, in turn, is based on the Company's NAV and the New Dawn NAV (each as at 19 September 2023) and adjusted as set out in this Prospectus), and assuming New Dawn Shareholders utilise the full 25 per cent. exit offered under the Cash Option, the Scheme would result in the issue of 52,752,659 New Shares¹

DEALING CODES

ISIN	GB0002945029
SEDOL	0294502
Ticker code	DGN
Legal Entity Identifier (LEI) of the Company	549300W4KB0D75D1N730

¹ This is illustrative only and is based on the illustration provided in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus. The number of New Shares to be issued pursuant to the Issue is not known at the date of this Prospectus and will depend on the ratio produced by the division of the ABD FAV per Share by the DGN FAV per Share, multiplied by the number of New Dawn Shares that are elected (or deemed to be elected) for the Rollover Option. The total number of New Shares to be issued pursuant to the Issue will be notified by way of an RIS announcement on or around 8 November 2023.

DIRECTORS, AIFM, INVESTMENT MANAGER AND OTHER ADVISERS

Directors	James Will (<i>Chairman</i>) Gaynor Coley Matthew Dobbs Susan Sternglass Noble Charlie Ricketts
Prospective Directors²	Donald Workman Stephen Souchon Nicole Yuen
Registered office	1 George Street Edinburgh EH2 2LL
Alternative Investment Fund Manager	abrden Fund Managers Limited 280 Bishopsgate London EC2M 4AG
Investment Manager	abrden Asia Limited Marina One East Tower 7 Straits View, #23-04 Singapore 018936
Company Secretary	abrden Holdings Limited 1 George Street Edinburgh EH2 2LL
Sponsor	Winterflood Securities Limited The Atrium Building Cannon Bridge 25 Dowgate London EC4R 2GA
Legal advisers to the Company (as to English law)	Dickson Minto W.S. Level 4, Dashwood House 69 Old Broad Street London EC2M 1QS
Legal advisers to the Company (as to US securities law)	Proskauer Rose LLP 110 Bishopsgate London EC2N 4AY
Legal advisers to the Sponsor	Stephenson Harwood LLP 1 Finsbury Circus London EC2M 7SH
Depository	BNP Paribas Trust Corporation UK Limited 10 Harewood Avenue London NW1 6AA

² If the Scheme becomes effective, Donald Workman, Stephen Souchon and Nicole Yuen (all of whom are currently New Dawn Directors) will join the Board as directors of the Company.

Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT
Registrar and Receiving Agent	Equiniti Limited Aspect House Spencer Road Lancing West Sussex BN99 6DA
Reporting Accountant	KPMG Advisory Limited Heritage Court 41 Athol Street Douglas Isle of Man IM1 1LA

PART 1

THE COMPANY

1. INTRODUCTION AND HISTORY

Asia Dragon Trust plc (the “**Company**”) is a closed-ended public limited company incorporated on 12 August 1987 in Scotland with registered number SC106049. The Company is an alternative investment fund or “AIF” for the purposes of the UK AIFMD Laws and EU AIFM Directive. The Company has an unlimited life and is registered as an investment company under section 833 of the Companies Act.

The Company’s current investment objective and policy is set out in paragraph 3.1 of this Part 1. The Company is proposing, in connection with the Scheme and subject to Shareholder approval at the General Meeting, to amend the Company’s investment objective and policy. The proposed amended investment objective and policy is set out in paragraph 3.2 of this Part 1.

As at 19 September 2023, the Company had a Net Asset Value of approximately £481,995,000.

The Company’s Shares are listed on the premium segment of the Official List and traded on the Main Market.

abrdrn Fund Managers Limited (“**AFML**” or the “**AIFM**”) has been appointed as the Company’s alternative investment fund manager. The AIFM has delegated portfolio management services to abrdrn Asia Limited (“**abrdrn Asia**” or the “**Investment Manager**”) and the Company’s current portfolio managers are Adrian Lim and Pruksa lamthongthong. Adrian Lim is retiring from the Investment Manager on 30 September 2023, after which the portfolio managers of the Company will be Pruksa lamthongthong and James Thom (who is currently co-manager of New Dawn). Short biographies in respect of each of Pruksa and James are set out in paragraph 2.1 of Part 3 (*Directors, Management and administration of the Company*) of this Prospectus. Both the AIFM and the Investment Manager are wholly owned subsidiaries of abrdrn plc.

2. BACKGROUND TO THE PUBLICATION OF THIS PROSPECTUS

2.1. Background to the Proposals

As announced on 21 July 2023, the Board has agreed terms with the board of abrdrn New Dawn Investment Trust plc (“**New Dawn**”) in respect of a proposed combination of the assets of the Company with the assets of New Dawn. The combination, if approved by Shareholders and New Dawn Shareholders, will be effected by way of a scheme of reconstruction and winding up of New Dawn under section 110 of the Insolvency Act (the “**Scheme**”) and the associated transfer of part of the cash, assets and undertaking of New Dawn to the Company in exchange for the issue of New Shares.

Following implementation of the Scheme, the Enlarged Company will continue to be managed by AFML and the Investment Manager. However, in connection with the Scheme, the Board will propose certain amendments to the Company’s investment policy (the “**Investment Policy Change**”) which will be subject to FCA and Shareholder approval. The principal amendment will be to permit investment in Australasia in order to provide the management team with greater geographic flexibility. The portfolio managers of the Company will be Pruksa lamthongthong and James Thom.

Implementation of the Scheme is conditional upon, among other things, the approval of the Resolutions to authorise the issue of New Shares pursuant to the Scheme and the Investment Policy Change by Shareholders at the General Meeting and the approval of the New Dawn Resolutions by New Dawn Shareholders at the New Dawn General Meetings.

In addition, whilst not a requirement or condition of the Scheme, the Board is also proposing amendments to the Company’s existing articles of association in order to provide the Directors with the power to (i) request certain information from Shareholders, (ii) refuse to register a transfer of shares in the Company or (iii) require the transfer of shares to an eligible transferee, in circumstances where the Directors believe a failure to do so may result in a breach of, or give rise to onerous obligations on the Company under, certain US securities laws. Implementation of the Scheme is not conditional on the passing of Resolution 3 (i.e. on Shareholders approving the adoption of the Revised Articles).

2.2. Benefits of the Proposals

Both the Company and New Dawn invest in the Asia Pacific ex Japan region and both are managed by AFML with a high level of commonality across their shareholder bases. In the light of these similarities, the Board believes a combination of the companies will create an enlarged vehicle that offers similar investment exposure for each set of shareholders while offering shareholders in the Enlarged Company the following benefits.

- **Enhanced profile:** The Enlarged Company is expected to have a Net Asset Value in excess of £700 million (based on valuations as at 19 September 2023), creating a leading closed-ended vehicle for investment in the Asia Pacific ex Japan region. On the basis of the current market capitalisations of the Company and New Dawn, the Enlarged Company would be expected to qualify as a constituent of the FTSE 250 Index which is expected to raise the profile and enhance the marketability of the Enlarged Company.
- **Lower management fee:** AFML has agreed that, with effect from Admission, the management fee payable by the Company to AFML will be reduced to 0.75 per cent. (currently 0.85 per cent.) on the initial £350 million of the Company's NAV and 0.50 per cent. on the Company's NAV in excess of £350 million. In addition, the Company will benefit from lower weighted costs following implementation of the Proposals as the Company's tiered fee structure will have the effect of reducing the weighted average fee given the increase in the Company's NAV.
- **Lower ongoing charges:** Shareholders in the Enlarged Company are expected to benefit from a lower ongoing charges ratio with the Company's fixed costs spread over a larger asset base.
- **Enhanced liquidity:** The scale of the Enlarged Company is expected to improve the secondary market liquidity of the Shares.
- **Shareholder register:** The Proposals will allow a number of Shareholders to consolidate their holdings across the Company and New Dawn while also creating a more diversified shareholder base through a combination of the balance of the two share registers.
- **Contribution to costs:** As described in paragraph 4 of Part 3 (*Directors, Management and administration of the Company*) of this Prospectus, AFML has agreed to make a cost contribution in respect of the Proposals which, in addition to the contribution to the costs from the Cash Option Discount described in paragraph 2.3 below, is expected to offset the direct transaction costs for Shareholders.

2.3. Overview of the Scheme

The Proposals will be effected by way of a scheme of reconstruction of New Dawn under section 110 of the Insolvency Act, resulting in the voluntary winding up of New Dawn and the transfer of part of New Dawn's assets to the Company on a Formula Asset Value ("**FAV**") for FAV basis.

The Scheme is conditional on, among other things, approval of the Resolutions to approve the issue of New Shares pursuant to the Scheme and the Investment Policy Change by Shareholders at the General Meeting and the approval of the New Dawn Resolutions by New Dawn Shareholders at the New Dawn General Meetings. Further details of the conditions attaching to the Scheme are set out in paragraph 4 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

Under the Scheme, New Dawn Shareholders will be entitled to elect to receive in respect of some or all of their New Dawn Shares:

- New Shares (the "**Rollover Option**"); and/or
- cash (the "**Cash Option**").

The Cash Option is limited to 25 per cent. of New Dawn's shares in issue (excluding treasury shares) as at the Calculation Date. Should total elections for the Cash Option exceed 25 per cent. of New Dawn's shares in issue (excluding treasury shares) as at the Calculation Date, excess elections for the Cash Option will be scaled back into New Shares on a *pro rata* basis.

The Cash Option will be offered at the ABD FAV per Share less a discount of 2 per cent. (the "**Cash Option Discount**") less the costs and expenses of realising the assets allocated to the Cash Pool for the benefit of the New Dawn Shareholders electing (or who are deemed to have elected) for the Cash Option. The Cash Option Discount will be for the benefit of the Enlarged Company.

New Shares will be issued as the default option under the Scheme in the event that New Dawn Shareholders do not make a valid election under the Scheme or to the extent elections for the Cash Option are scaled back as a result of the Cash Option being oversubscribed.

Further details of the Scheme and the Issue are set out in Part 4 (*Details of the Scheme and the Issue*) of this Prospectus.

2.4. Use of proceeds

The New Shares will be issued to Eligible New Dawn Shareholders, and to the Liquidators appointed in respect of Excluded New Dawn Shareholders, in consideration for the transfer of the Rollover Pool from New Dawn to the Company. The Rollover Pool will consist of investments aligned with the Company's investment objective and policy as at the Effective Date, together with cash and cash equivalents. Any cash in the Rollover Pool and any proceeds of the realisation of cash equivalents in the Rollover Pool will be used to acquire investments in accordance with the Company's investment objective and policy.

2.5. CoL Undertaking

As at 19 September 2023, City of London Investment Management Limited ("**CoL**") held 30.01 per cent. of the voting rights in the Company and 28.02 per cent. of the voting rights in New Dawn. CoL has signed an irrevocable undertaking (the "**CoL Undertaking**") pursuant to which CoL has undertaken to the Company and New Dawn that it will (i) vote (or procure the voting of) its shares in the Company in favour of Resolution 1 and Resolution 2; and (ii) vote (or procure the voting of) its New Dawn Shares in favour of the New Dawn Resolutions.

Unless otherwise agreed between CoL, the Company and New Dawn, the CoL Undertaking will cease to have effect on 31 December 2023.

3. INVESTMENT OBJECTIVE AND POLICY

The investment objective and investment policy of the Company as at the date of this Prospectus is set out in paragraph 3.1 of this Part 1. The Company is proposing to amend this existing objective and policy as set out in paragraph 3.2 of this Part 1.

3.1. Existing investment objective and policy

Existing investment objective

The Company's investment objective is 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.

Existing investment policy

The Company's assets are invested in a diversified portfolio of securities in quoted companies spread across a range of industries and economies in the Asia Pacific region, excluding Japan and Australasia. The shares that make up the portfolio are selected from companies that have proven management and whose shares are considered to be attractively priced. The Company invests in a diversified range of sectors and countries. Investments are not limited as to market capitalisation, sector or country weightings within the region.

The Company's policy is to invest no more than 15 per cent. of gross assets in other listed investment companies (including listed investment trusts).

The Company complies with Chapter 4 of Part 24 of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011 and does not invest more than 15 per cent. of its assets in the shares of any one company.

When appropriate the Company will utilise gearing to maximise long-term returns, subject to a maximum gearing level of 20 per cent. of net assets imposed by the Board.

The Company does not currently utilise derivatives but keeps this under review.

3.2. The Investment Policy Change

The Company is proposing, in connection with the Scheme and subject to Shareholder approval at the General Meeting, to amend the Company's investment objective and policy. The implementation of the Scheme is conditional upon Shareholders approving the Investment Policy Change.

The proposed amendments to the Company's investment objective and policy will, *inter alia*, allow for investment in Australasia in order to provide the Company's management team with greater geographic flexibility, which is in-line with the scope of the geographic exposure in New Dawn's investment policy. In addition, other modernising and clarificatory amendments will also be proposed.

For the avoidance of doubt, the Company's existing benchmark comparative index (MSCI AC Asia ex Japan Index) will be retained.

Further details of the Investment Policy Change, including the full text of the proposed new investment objective and policy, are set out in the Circular published by the Company on or around the date of this Prospectus. For completeness, the full text of the proposed new investment objective and policy is also set out below.

Proposed investment objective

The Company aims to achieve long-term capital growth principally through investment in companies in the Asia Pacific region, excluding Japan (the "**Investment Region**").

Proposed investment policy

Asset allocation

The Company's assets are invested principally in a diversified portfolio of public securities of companies that are incorporated, domiciled or listed in the Investment Region. The Company invests in a diversified range of sectors and countries. Investments are not limited as to market capitalisation, sector or country weightings within the Investment Region.

The Company may invest, directly or indirectly, up to 30 per cent. of its gross assets in public securities of companies which are not incorporated, domiciled or listed in the Investment Region but which generate more than 50 per cent. of their annual turnover or revenue from the Investment Region, all as measured at the time of the Company's investment.

The Company will primarily invest in equities and equity-related securities (including, but not limited to, preference shares, depositary receipts, convertible unsecured loan stock, rights, warrants and other similar securities).

For the avoidance of doubt, however, the Company may, in pursuance of the investment objective:

- hold cash and cash equivalents, including money market mutual funds (which is not subject to any investment limit);
- hold equity-linked derivative instruments (including options and futures on indices and individual securities) which are primarily exposed to the Investment Region; and
- invest in index funds, listed funds, open-ended funds, mutual funds and exchange traded funds that invest primarily in the Investment Region.

Risk diversification

The Company's aggregate exposure to any single holding or issuer (or issuer group), whether direct or indirect, will not exceed 15 per cent. of its gross assets (calculated at the time of investment).

In order to comply with the Listing Rules, the Company will not invest more than 10 per cent. of its gross assets in other listed closed-ended investment funds, except that this restriction shall not apply to investments in listed closed-ended investment funds which themselves have stated investment policies to invest no more than 15 per cent. of their gross assets in other listed closed-ended investment funds. Additionally, in any event, the Company will itself not invest more than 15 per cent. of its gross assets in other listed closed-ended investment funds.

Gearing

The Company may deploy gearing to seek to enhance long-term capital growth. The Company may be geared through bank borrowings, the use of derivative instruments that have the effect of gearing

the Company's portfolio, and any such other methods as the Board may determine. Gearing will not exceed 20 per cent. of the Company's net asset value at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate.

Derivatives

With prior approval of the Board, the Company may use derivatives for the purpose of efficient portfolio management (for the purpose of reducing, transferring or eliminating investment risk in its investment portfolio, including protection against currency risk) and for investment purposes.

Notwithstanding the above, the Company does not intend to utilise derivatives or other financial instruments to increase the Company's gearing in excess of the limit set out in 'Gearing' above, and any restrictions set out in this investment policy shall apply equally to exposure through derivatives.

3.3. Changes to investment policy

No material change will be made to the Company's investment objective and policy without prior approval by ordinary resolution of the Shareholders and the approval of the FCA.

4. GEARING

The Board is responsible for setting the Company's gearing strategy. The Board believes that the sensible use of modest financial gearing should enhance returns to Shareholders over the longer term.

When appropriate the Company will utilise gearing to maximise long-term returns. As noted above, the Company's investment policy stipulates a maximum gearing level of 20 per cent. of the Company's net asset value at the time of drawdown of the relevant borrowings or entering into the relevant transaction, as appropriate.

In July 2022, the Company entered into a fixed loan and multicurrency revolving credit facility agreement totalling a commitment of £60 million with the Royal Bank of Scotland International Limited, London Branch ("RBS"). The facilities, which are unsecured, consist of a two year fixed term facility of £25,000,000, which is fully drawn, and a two year £35,000,000 multi-currency revolving credit facility of which £15,000,000 was drawn as at 19 September 2023. Under the terms of the revolving credit facility, the Company also has the option to increase the level of the commitment from £35,000,000 to £50,000,000 at any time, subject to the identification by the Company's investment manager of suitable investment opportunities and RBS's credit and pricing approval. RBS have sole discretion whether to agree to that increase and to determine the terms upon which it is provided. Assuming the Scheme is implemented, it is the current intention of the Board that it will request a further drawdown under the revolving credit facility in order to maintain the Company's current gearing level post implementation of the Scheme.

The Company does not currently utilise derivatives but keeps this under review.

At 19 September 2023, the Company's net gearing position was 7.8 per cent. Assuming the Scheme is implemented and New Dawn Shareholders utilise the full 25 per cent. exit offered under the Cash Option, it is expected that the Company's net gearing immediately following implementation of the Scheme will be approximately 7.4 per cent.

5. DIVIDEND POLICY

The Company does not have any formal policy to achieve any specified level of dividend. The Company conducts its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act. In accordance with regulation 19 of the Investment Trust Tax Regulations, the Company does not (except to the extent permitted by those regulations) retain more than 15 per cent. of its income (as calculated for UK tax purposes) in respect of an accounting period and seeks to ensure that it distributes at least the minimum amount required to maintain investment trust status. The Board may resolve to pay dividends on the Shares from time to time in order to comply with these requirements.

In general, the Company pays one final dividend in respect of each financial year (usually payable in December each year).

6. DURATION OF THE COMPANY

The Company does not have a fixed life, but Shareholders are given the opportunity to vote on the continuation of the Company at every fifth Annual General Meeting (the “**Continuation Vote**”), with the next Continuation Vote to be put forward at the Annual General Meeting in December 2026.

7. PERFORMANCE-RELATED CONDITIONAL TENDER OFFER

At the Annual General Meeting held in 2021, Shareholders voted in favour of the introduction of a performance-related conditional tender offer (the “**Conditional Tender Offer**”), which will take place every five years. At the time of the vote, the Board advised that the size of any Conditional Tender Offer will be set by the Board up to a maximum of 25 per cent. of the prevailing issued share capital of the Company.

The first performance period runs from 1 September 2021 to 31 August 2026. In the light of the Proposals and the expected increase in the size of the Company, and conditional on the Scheme being implemented, the Board has resolved that, in the event the Company underperforms the Benchmark over the current performance period and a Conditional Tender Offer is triggered, the Company will offer Shareholders the opportunity to tender up to 15 per cent. of the issued share capital (excluding treasury shares) of the Enlarged Company under such Conditional Tender Offer. The size of any Conditional Tender Offer resulting from any future performance period after August 2026 will be subject to the original maximum of 25 per cent. of the prevailing issued share capital of the Company (excluding treasury shares).

8. SHARE CAPITAL

The Company’s share capital comprises of only ordinary shares with a nominal value of 20 pence each (the “**Shares**”), all of which are listed on the premium segment of the Official List and admitted to trading on the Main Market. Shareholders are entitled to such dividends (if any) as are declared by the Company and are entitled, on a return of capital on a winding up or otherwise, to all undistributed revenue of the Company and to the residual capital of the Company which remains after satisfying any liabilities.

At the Annual General Meeting of the Company held on 9 December 2022, Shareholders granted the Board authority to: (i) allot Shares representing approximately 33.33 per cent. of the Company’s issued Share capital as at 9 December 2022; (ii) allot Shares representing approximately 5 per cent. of the Company’s issued Share capital as at 9 December 2022 on a non pre-emptive basis; and (iii) buy back up to 14.99 per cent. of the Company’s issued Share capital as at 9 December 2022. All such authorities will expire on 29 February 2024 unless the authority is renewed at the Company’s Annual General Meeting in 2023 or at any other general meeting prior to such time.

As at 19 September 2023 the Directors have general authority to allot 39,388,298 Shares and general authority to allot, on a non pre-emptive basis for cash, 5,914,159 Shares.

8.1. Share repurchases

In addition to the operation of the Conditional Tender Offer mechanism set out in paragraph 7 of this Part 1, the discount level of the Shares is closely monitored by the Board, the AIFM and the Investment Manager and on-market Share buybacks are undertaken when appropriate. The Directors may consider utilising the authority to undertake Share buy backs:

- to enhance the Net Asset Value per Share for continuing Shareholders by purchasing Shares at a discount to the prevailing Net Asset Value per Share;
- to address any imbalance between the supply of and the demand for the Shares that results in a discount of the quoted market price to the published Net Asset Value per Share; and
- when the Directors believe that it is in the best interests of the Company and Shareholders to do so.

The timing, price and volume of any buyback of Shares will be at the absolute discretion of the Directors and is subject to the Company having sufficient working capital for its requirements and distributable profits available.

All Share repurchases will be conducted in accordance with the Companies Act and the Listing Rules applicable to closed-ended investment funds from time to time and will be announced to the market through an RIS announcement on the same or following day.

Shares purchased by the Company may be cancelled or held in treasury (or a combination of both). Any Shares held in treasury may be subsequently cancelled or sold for cash. The sale of Shares from treasury will be subject to the Companies Act and the provisions relating to rights of pre-emption contained therein to the extent not disapplied.

9. NET ASSET VALUE CALCULATIONS AND VALUATION POLICY

The Net Asset Value is the value of all assets of the Company less liabilities (including provisions for such liabilities). The Net Asset Value per Share is the Net Asset Value divided by the number of Shares in issue at the relevant time (excluding any Shares held in treasury).

Under the Management Agreement, the AIFM is responsible for calculating the Company's Net Asset Value per Share. The AIFM has sub-delegated this responsibility to abrdn Holdings Limited who in turn has sub-delegated this responsibility to BNP Paribas S.A. ("**BNP**"). The unaudited Net Asset Value per Share is calculated in Sterling on each dealing day (on a cum-income basis) by BNP and is announced by the Company on a daily basis through an RIS.

The Company's investments are valued on the basis of the following valuation methodologies:

- (i) investments quoted or dealt on recognised stock exchanges in an active market are valued by reference to their market bid prices;
- (ii) investments other than those in (i) above which are dealt on a trading facility in an active market are valued by reference to broker bid price quotations, if available, for those investments;
- (iii) investments in underlying funds, which are not quoted or dealt on a recognised stock exchange or other trading facility or in an active market, are valued at the net asset values provided by such entities or their administrators. These values may be unaudited or may themselves be estimates and may not be produced in a timely manner. If such information is not provided, or is insufficiently timely, BNP uses appropriate valuation techniques to estimate the value of investments. In determining the fair value of such investments, BNP takes into consideration the relevant issues, which may include the impact of suspension, redemptions, liquidation proceedings and other significant factors. Any such valuations are assessed and approved by the Directors. The estimates may differ from actual realisable values;
- (iv) investments which are in liquidation are valued at the estimate of their remaining realisable value;
- (v) any other investments are valued at the Directors' best estimate of fair value;
- (vi) monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated into Sterling at the spot exchange rate at that date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are retranslated into Sterling at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into Sterling using the exchange rate at the date of the transaction; and
- (vii) at the reasonable discretion of the Directors, if the methods above are not available or an alternate method is considered to be a more accurate reflection of the fair value of any asset or liability, the Directors may in their reasonable discretion permit such an alternative method of valuation to be used to calculate Net Asset Value.

The Board may determine that the Company should temporarily suspend the determination of the NAV per Share when the prices of any investments owned by the Company cannot be promptly, accurately or without undue expenditure, ascertained. Any suspension in the calculation of the NAV will be notified to Shareholders through an RIS as soon as practicable after such suspension occurs.

10. MEETINGS, REPORTS AND ACCOUNTS

The Company held its last AGM on 9 December 2022 and expects to hold an AGM in December 2023 and each year thereafter. The annual report and audited financial statements of the Company are made up to 31 August in each year, with copies expected to be sent to Shareholders within the following four months. The Company also publishes interim reports and unaudited interim condensed financial statements covering the half-yearly financial period to 28/29 February each year, which are usually despatched within two months of that date. The Company's financial statements are prepared in Sterling in accordance with FRS 102.

The Company's annual report and audited financial statements for the period from 1 September 2021 to 31 August 2022 were published on 31 October 2022 and are available on the Company's website. For the avoidance of doubt, such website and its contents are not incorporated by reference into this Prospectus. The Company's next annual report and audited financial statements will be prepared to 31 August 2023.

Any ongoing disclosures required to be made to Shareholders pursuant to the UK AIFMD Laws and the EU AIFM Directive will (where applicable) be contained in the Company's periodic or annual reports or on the Company's website, or will be communicated to Shareholders in written form as required.

11. TAXATION

The Company has been approved by HMRC as an investment trust. The Directors believe that the affairs of the Company have been conducted so as to continue to satisfy the conditions to qualify as an investment trust under section 1158 of the Corporation Tax Act and, on this basis, the Company should therefore be exempt from UK taxation on its capital gains in its Portfolio. The Company will be liable to UK corporation tax on its income in the normal way, with dividend income generally being exempt from UK corporation tax. Income arising from overseas investments may be subject to foreign withholding taxes at varying rates but double taxation relief may be available.

A guide to the general UK taxation position as at the date of this Prospectus is set out in Part 6 (*UK Taxation*) of this Prospectus.

If you are in any doubt as to your taxation position, or are subject to tax in a jurisdiction other than the United Kingdom, you should consult your professional adviser without delay.

12. UK MAR AND THE DISCLOSURE GUIDANCE AND TRANSPARENCY RULES

As a company whose shares are admitted to trading on the Main Market, the Company complies with all of the provisions of UK MAR and the Disclosure Guidance and Transparency Rules which are applicable to it. The Directors have adopted a share dealing code that is compliant with UK MAR. The Board is responsible for taking all proper and reasonable steps to ensure compliance with the share dealing code by the Directors and other persons discharging managerial responsibilities.

The Disclosure Guidance and Transparency Rules provide that certain persons (including Shareholders) must notify the Company if the proportion of the Company's voting rights which they then hold directly or indirectly as a Shareholder or through a direct or indirect holding of certain financial instruments reaches, exceeds or falls below thresholds of three per cent., four per cent., five per cent., six per cent., seven per cent., eight per cent., nine per cent. and ten per cent. and each one per cent. thereafter up to 100 per cent.

PART 2

MARKET OUTLOOK, INVESTMENT STRATEGY AND INVESTMENT PORTFOLIO

1. MARKET OUTLOOK

China's economic recovery in 2023 has been slower than had been expected by the Investment Manager and, after consecutive months of weakness, the Chinese authorities have stepped up support for the economy. At the July Politburo meeting, the Chinese government signalled a focus on economic growth and subsequently announced measures to further aid the property sector and stimulate consumption in areas like electric vehicles and consumer electronics. The Investment Manager believes that this should help to address some of the uncertainty surrounding the property sector and consumer confidence.

The Investment Manager is of the view that Asia (ex China) is in a better financial and economic position than much of the rest of the world, with lower government debt to GDP ratios compared to other regions. Asia (ex China) is further benefitting from global supply chain diversification, as companies are increasingly adopting "China plus one" or "China plus two" strategies. The Investment Manager sees India as a relative beneficiary of this trend with a supportive macroeconomic outlook hence, given the high-quality companies in the country, the Company has an overweight position in India.

The Investment Manager is cognisant of the geopolitical risks in the Asia Pacific region and has sought to mitigate exposure to policy and geopolitical risks through focusing on quality companies where there is clearer earnings visibility. Broadly, the Investment Manager continues to favour fundamental themes such as consumption, technology, and green energy, with the firm belief that these will deliver positive long-term results for shareholders.

Key themes reflected in the Company's portfolio include: rising affluence across Asia that is leading to a growth in premium consumption; greater urbanisation which is driving an infrastructure boom; increased focus on the transition to clean energy; and the growing demand for artificial intelligence-related software and chips, particularly in the semiconductor and consumer electronics segments.

2. INVESTMENT STRATEGY

The Directors are responsible for determining the Company's investment objective and policy. The Company has appointed AFML as the Company's alternative investment fund manager to provide overall portfolio and risk management services to the Company. AFML has delegated portfolio management services to abrdn Asia, the Investment Manager.

The Investment Manager follows a bottom-up investment process based on a disciplined evaluation of companies through direct contact by its fund managers and analysts. Stock selection is expected to be the major source of added value. No stock is bought without the Investment Manager having first met management, either in person, where possible, or virtually. The Investment Manager evaluates a company's worth in two stages: quality then price. Quality is defined by reference to management, business focus, the balance sheet and corporate governance. Price is evaluated by reference to key financial ratios, the market, the peer group and business prospects.

Gearing is used to leverage the Company's portfolio in order to enhance returns when this is considered appropriate to do so. As at 19 September 2023, the Company's net gearing was 7.8 per cent. Assuming the Scheme is implemented, New Dawn Shareholders utilise the full 25 per cent. exit offered under the Cash Option and that the Board requests a further drawdown under the revolving credit facility as disclosed in paragraph 4 of Part 1 (*The Company*) of this Prospectus, it is expected that the Company's net gearing immediately following implementation of the Scheme will be approximately 7.4 per cent.

3. THE COMPANY'S PERFORMANCE TRACK RECORD

In pursuit of the Company's investment objective, the Directors consider the Company's performance against the MSCI AC Asia ex Japan Index over a long-term horizon. The table below sets out the Company's annualised performance relative to the Benchmark over the five year period to 31 August 2023. The performance of the Company's Chinese holdings has been the primary driver of underperformance in respect of the calendar year commencing 1 January 2023 and this has, in turn, impacted the Company's cumulative performance figures over the longer-term. The

Board monitors performance continuously and closely with the Investment Manager in order to understand the drivers behind relative performance (both underperformance and outperformance) and actions being taken by the Investment Manager in the light of that.

Annual performance

12 months to:	31 August 2023 (%) ⁽¹⁾	31 August 2022 (%)	31 August 2021 (%)	31 August 2020 (%)	31 August 2019 (%)
Company Share Price Total Return	-19.5	-11.8	24.3	4.6	10.0
Company NAV Total Return	-16.5	-8.6	20.5	4.7	9.7
Benchmark Total Return	-8.4	-7.1	14.7	10.9	0.3

Source: Refinitiv Datastream. NAV total returns calculated with debt valued at fair value. Total return calculations assume dividend reinvestment as at the ex-dividend date. Past performance is not a reliable indicator of future results.

(1) Figures in respect of the period to 31 August 2023 are unaudited.

4. THE COMPANY'S PORTFOLIO

As at close of business on 19 September 2023, the Portfolio comprised investments and cash with an aggregate unaudited value, calculated in accordance with the Company's usual accounting policies, of approximately £525,801,000.

The Company's Portfolio was 108 per cent. invested in listed equities as at 19 September 2023.

The following table shows the Company's top ten investments (as a percentage of NAV) as at 19 September 2023.

The information in this paragraph 4 is unaudited information on the Company, which has been extracted from the internal management accounting records held by the Company.

Company Name	Country	Sector	Percentage of NAV (%)
Taiwan Semiconductor Manufacturing	Taiwan	Information Technology	11.3
Samsung Electronics Preference	South Korea	Information Technology	8.7
Tencent Holdings	China	Communication Services	7.4
AIA Group	Hong Kong	Financials	5.7
Alibaba Group Holding	China	Consumer Discretionary	4.7
HDFC Bank	India	Financials	4.3
Kweichow Moutai 'A'	China	Consumer Staples	2.9
Oversea-Chinese Banking	Singapore	Financials	2.5
SBI Life Insurance Company	India	Financials	2.5
Bank Central Asia	Indonesia	Financials	2.3

The following table shows the geographic and sectoral breakdown of the Company's portfolio (based on percentage of NAV) as at 19 September 2023.

Country	Percentage of NAV (%)	Sector	Percentage of NAV (%)
China	33.0	Information Technology	30.6
India	20.3	Financials	24.6
Taiwan	15.6	Consumer Discretionary	14.9
South Korea	12.8	Communication Services	10.3
Hong Kong	10.5	Consumer Staples	7.3
Singapore	4.6	Health Care	5.5
Vietnam	2.8	Industrials	5.5
Phillipines	2.7	Materials	3.7
Indonesia	2.3	Real Estate	2.6
Macao	1.5	Utilities	2.0
Netherlands	0.9		

The Enlarged Company's portfolio will, following the Scheme becoming effective, constitute a combination of the Company's Portfolio and the investments and cash apportioned to the Rollover Pool that will transfer to the Company pursuant to the Transfer Agreement. The investments in the Rollover Pool will include only those aligned with the Company's investment policy as at the Effective Date, including cash and cash equivalents. The assets within the Rollover Pool, and hence the Enlarged Company's portfolio, are not known at the date of this Prospectus. However, it is expected that while relative country weights for most of the Enlarged Company's portfolio will be broadly similar, the Enlarged Company's portfolio will have greater exposure to Australasia and collective investment vehicles than is currently the case, reflecting such exposures within the New Dawn Portfolio and the Company's proposed new investment policy, if approved.

5. ESG POLICY

The Company aims to outperform the Benchmark whilst maintaining, over time, a better ESG profile and a lower carbon footprint than the Benchmark.

The abrdn group, of which the Investment Manager forms part, has been actively integrating key elements of ESG into its investment decision-making process for over 30 years and believes that ESG factors are financially material and can meaningfully affect a company's performance. The Investment Manager believes that deep, on the ground, ESG resources and expertise enables the Investment Manager to glean insights from company visits and obtain an ESG information advantage.

As at 14 September 2023, the Company's portfolio was ESG BBB rated by MSCI. This can be compared with the MSCI rating attributable to the Benchmark, which is also BBB as at 14 September 2023. As at 7 September 2023, the Company's relative carbon intensity (Scope 1 and 2) was 60 per cent. of its Benchmark.

The Investment Manager's investment process considers both macro and micro ESG issues. Macro ESG factors are broad thematic issues that impact companies and the products and services they provide. These include issues such as climate change, access to finance and access to healthcare. These are secular, industry-impacting trends that may present a clear risk or opportunity for a company. Micro ESG factors are company/industry specific issues that relate to how a company's products or services are made or delivered.

There are five stages to the Investment Manager's ESG integration approach.

1. **Idea generation:** Understanding themes and dynamics inherent in sectors, countries, and companies, the Investment Manager is able to use ESG as a lens to generate new investment ideas for the portfolio. This could include companies that are well placed to help in climate transition or companies that are managing their supply chain in a way that makes them more attractive to global clients.
2. **Research:** ESG disclosure by companies in Asia tends to be lower quality than might be observed in Europe or North America. Whilst this means that it can be more challenging to

collect information, it also means that extensive company due diligence by the Investment Manager can create investment opportunities.

3. **Buy / sell:** At this stage, the Investment Manager weighs the decision to buy (or sell) a company and ESG factors form a fundamental part of this assessment.
4. **Portfolio Construction:** Whilst a simplification, the more conviction the Investment Manager has in the company, the more of that company the Investment Manager might elect to buy (whilst being sensitive to valuations). ESG is a key part of the discussion around 'position sizing' or how much of a company to buy.
5. **Engagement:** The Investment Manager continues discussing ESG issues with senior management of investee companies over the course of the Company's investment. Through constructive challenge and debate around ESG strategy and execution, the Investment Manager aims to protect and enhance the value of the Company's investments and, in doing so, foster sustainable shareholder returns.

PART 3

DIRECTORS, MANAGEMENT AND ADMINISTRATION OF THE COMPANY

1. DIRECTORS AND PROSPECTIVE DIRECTORS

1.1. The Directors

The Directors, each of whom is non-executive and all of whom are independent of the AIFM and the Investment Manager, are responsible for the determination of the investment policy of the Company and the overall supervision of the Company, including the review of the Company's investment activity and performance, and the control and supervision of the AIFM and the Investment Manager's activities in relation to the Company. The Company operates with an experienced non-executive Board of Directors, bringing investment and corporate skills and experience of closed-ended funds to their oversight roles. The Directors are as follows:

Mr James Will (Chairman): James Will was appointed as a Director in 2018 and became Chairman in 2019. He also chairs the Company's Management Engagement Committee and Nomination Committee. James is the former Chairman of law firm Shepherd and Wedderburn LLP where he was a senior corporate partner, heading its financial sector practice. He has experience of working with companies in a wide range of industry sectors including financial services, technology, energy and life sciences. James is Senior Independent Director of Herald Investment Trust plc. He was, until August 2022, Chairman of The Scottish Investment Trust PLC and, until November 2022, a non-executive director of JPMorgan Global Growth & Income plc

Ms Gaynor Coley: Gaynor Coley was appointed a Director in 2019 and chairs the Company's Audit and Risk Committee. Gaynor is a chartered accountant with over 30 years' experience in private and public sector finance and governance. She is currently the Audit Committee Chairman of Lowland Investment Company plc, SQN Secured Investment Fund plc and Foresight Enterprise VCT plc. Gaynor is also a Director of a number of private companies. She was previously the Chairman of the Wave Group Ltd, Director of Public Programmes at the Royal Botanic Gardens Kew, Managing Director of the Eden Project in Cornwall and Director of Finance at Plymouth University.

Mr Matthew Dobbs: Matthew Dobbs was appointed a Director in 2022. Before retirement from full time fund management duties in 2021, Matthew had 40 years' fund management experience with Schroders. He specialised in Asian and Small Companies investment having served as Schroders' Head of Global Small Companies from 2000. In addition to managing the Schroders Asian Alpha Plus Fund, Matthew was instrumental in helping grow the assets of two closed-ended investment companies, Schroder Asia Pacific Fund plc and Schroder Oriental Income Fund Limited into FTSE 250 Companies, serving as investment manager from their respective launches in 1995 and 2005. He holds a BA in history and economics from Oxford University. Matthew is non-executive Chairman of the European Opportunities Trust PLC.

Ms Susan Sternglass Noble: Susan Sternglass Noble was appointed a Director in 2020. Susan has over 30 years' experience of investment management and analysis, specialising in financial sector equities, with a focus on global, European and Asian mandates. She holds a B.A. in Asian Studies from Cornell University and a M.S. in Foreign Service from Georgetown University and is a Mandarin Chinese speaker. Susan held senior roles at Goldman Sachs, JP Morgan, CQS and AXA Investment Managers. More recently she has held a number of board, advisory and policy roles. Susan is a non-executive director of Unity Trust Bank, a Commissioner on the US-UK Fulbright Commission and an active angel investor. She was previously an adviser to the Investor Forum, a specialist adviser to the Treasury Select Committee of the House of Commons, and a Commissioner on the Dormant Assets Commission.

Mr Charlie Ricketts: Charlie Ricketts was appointed a Director in 2016. He chairs the Company's Remuneration Committee and is the Senior Independent Director of the Company. Charlie has over 30 years' experience within the investment funds arena and was, until 2014, the head of investment funds at Cenkos Securities, providing equity capital markets services to the fund management industry and to investment trust companies. He was previously a managing director of UBS Investment Bank and head of investment funds. He began his investment career as an investment director of Johnson Fry and then head of marketing and investment product development at Gartmore Investment Management. Charlie is a non-executive director of Templeton Emerging Markets Investment Trust plc and is co-founder and a trustee of the charity Carefreespace.

1.2. Proposed changes to the Board

It is intended that, following completion of the Scheme, Donald Workman, Stephen Souchon and Nicole Yuen (each a New Dawn Director) (the “**Prospective Directors**”) will be appointed as non-executive Directors of the Company. As such, the Board will then, initially, consist of eight Directors, comprising the five current Directors of the Company and three New Dawn Directors. After a transition period that will end on the six month anniversary of Admission, it is intended that the number of Directors on the Board will be reduced to five, with Donald Workman, Charlie Ricketts and Gaynor Coley expected to retire from the Board at that time.

Each of the Prospective Directors is independent of the AIFM and the Investment Manager. The Prospective Directors are as follows:

Donald Workman: Donald Workman had an executive career at The Royal Bank of Scotland PLC until 2016 where, over a period of 23 years, he held a number of senior positions which latterly included acting as Executive Chairman of the group’s Asia Pacific business. He was a member of the RBS Group Executive Committee from 2014. He was also an independent non-executive director of Standard Life Private Equity Trust plc between 2006 and 2013. He is currently non-executive Chairman of JCB Finance Limited. He is also a director of Kintail Trustees Ltd, the corporate trustee of Robertson Trust, a large, grant giving, Scottish Charity, and of Concern Worldwide, a large Irish charity.

Stephen Souchon: Stephen Souchon had an executive career at Morgan Stanley until 2015. He was a Managing Director and held a number of senior positions in the finance function including head of the EMEA Corporate Financial Control Group. He is a Chartered Accountant and is currently a non-executive director and Chairman of the Audit Committee of SMBC Nikko Capital Markets Limited and a non-executive director and Chairman of the Audit Committee of TD Bank Europe Limited.

Nicole Yuen: Nicole Yuen had an executive career initially in law as a former partner at Clifford Chance, Hong Kong and subsequently in Investment Banking and Equities as a Managing Director at UBS and latterly, Credit Suisse. She was with UBS for a period of 18 years where she held a number of senior positions, in particular for setting up and managing UBS’ Greater China business. She joined Credit Suisse in 2012 where she was Chief Operating Officer for the Greater China region and Head of Equities, North Asia until 2018. She graduated from University of Hong Kong and Harvard Law School. Currently, she also sits on the board of Interactive Brokers Group, Inc as its independent non-executive director.

2. MANAGERIAL, SECRETARIAL, ADMINISTRATION AND DEPOSITARY ARRANGEMENTS

2.1. Managerial arrangements

abrdrn Fund Managers Limited (“**AFML**” or the “**AIFM**”) has been appointed as the Company’s alternative investment fund manager. The AIFM has delegated portfolio management services to abrdrn Asia Limited (“**abrdrn Asia**” or the “**Investment Manager**”). Both the AIFM and Investment Manager are wholly owned subsidiaries of abrdrn plc.

The AIFM

AFML is a limited liability company, incorporated and registered in England and Wales on 7 November 1962 with registered number 00740118. The registered office of the AIFM is 280 Bishopsgate, London EC2M 4AG. The LEI of the AIFM is 213800LKZU3XUL41DI38. AFML is authorised and regulated by the FCA to conduct certain restricted activities in relation to collective investment schemes and general securities and derivatives. The AIFM is registered under the UK AIFMD Laws as a full scope authorised UK AIFM and under the terms of the Management Agreement has acted as the Company’s alternative investment fund manager since the EU AIFM Directive came into force in 2014.

The Company entered into the Management Agreement with the AIFM on 14 July 2014. Under the terms of the Management Agreement, the AIFM has been appointed to provide to the Company portfolio and risk management services in accordance with the Company’s investment objective and policy, and subject to the overall supervision of the Directors and the investment guidelines laid down by the Board from time to time.

The AIFM is also responsible for the provision of general administrative services to the Company, including but not limited to the provision of company secretarial services. Such services have been sub-delegated by the AIFM to abrdrn Holdings Limited.

The AIFM is also responsible for the provision of promotional services to the Company. Such services have been sub-delegated by the AIFM to abrdrn Investments Limited.

Further details of the terms of the Management Agreement are set out in paragraph 11 of Part 7 (*General Information*) of this Prospectus.

The Investment Manager

Pursuant to a delegation agreement between the AIFM and the Investment Manager, the AIFM has delegated the day-to-day management of the Company's portfolio to the Investment Manager (abrdrn Asia Limited). abrdrn Asia Limited is a Singaporean company with its registered office at Marina One East Tower, 7 Straits View, #23-04, Singapore 018936.

The Investment Manager manages the Portfolio and the Company's investments in accordance with the Company's investment objective and policy, and subject to the overall supervision of the Directors and the investment guidelines laid down by the Board from time to time.

Portfolio managers

The Company's current portfolio managers are Adrian Lim and Pruksha lamthongthong. As noted in paragraph 1 of Part 1 (*The Company*) of this Prospectus, Adrian Lim is retiring from the Investment Manager on 30 September 2023, after which the portfolio managers of the Company will be Pruksha lamthongthong and James Thom (who is currently co-manager of New Dawn).

Pruksha lamthongthong

Pruksha joined abrdrn Asia in 2007 and became co-manager to the Company in 2017. She is part of the investment team managing Chinese equities and jointly covers Greater China with her Singapore and Hong Kong-based colleagues. She also sits on the Asia Pacific ex Japan equities investment team, where she is responsible for company research and portfolio construction.

Pruksha graduated with a BA in Business Administration from Chulalongkorn University, Thailand and is a Chartered Financial Analyst.

James Thom

James joined the Asian Equities Team at abrdrn in 2010 and is responsible for both Asian and Indian equity strategies. He is currently a Senior Investment Director in the Asian Equities Team at abrdrn and became co-manager of New Dawn in 2011. He is based in Singapore.

James graduated with an MBA from INSEAD, an MA from Johns Hopkins University and a BSc from University College London.

2.2. Depositary

BNP Paribas Trust Corporation UK Limited (the "**Depositary**") has been appointed as the depositary of the Company pursuant to the Depositary Agreement (as supplemented from time to time) with the Company and the AIFM. A summary of the Depositary Agreement is set out in paragraph 11 of Part 7 (*General Information*) of this Prospectus.

The Depositary's responsibilities include cash monitoring, safekeeping of the Company's financial instruments, verifying ownership and maintaining a record of other assets, and monitoring the Company's compliance with investment limits and leverage requirements. BNP Paribas Trust Corporation UK Limited and its delegates also undertake the function of custodian in respect of the Company. The Depositary has delegated the provision of custodian services to BNP Paribas Securities Services, London Branch.

2.3. Registrar

Equiniti Limited (the "**Registrar**") has been appointed as the Company's registrar pursuant to the Registrar Agreement. The Registrar is responsible for, among other things, the maintenance of the

register of members and for the transfer and settlement of Shares, as applicable. A summary of the Registrar Agreement is set out in paragraph 11 of Part 7 (*General Information*) of this Prospectus.

2.4. Auditor

The statutory auditor to the Company is PricewaterhouseCoopers LLP of 7 More London Riverside, London SE1 2RT (the “**Auditor**” or “**PwC**”). PwC is independent of the Company and registered to carry on audit work in the UK and the Republic of Ireland by the Institute of Chartered Accountants in England and Wales. The Auditor’s responsibility is to audit and express an opinion on the financial statements of the Company in accordance with applicable law and auditing standards. PwC was first appointed as auditor of the Company following a competitive tender process at the Company’s AGM held on 10 December 2020 and has been re-appointed as auditor at each of the Company’s AGMs since that date. The Company’s audited annual financial statements are prepared under UK GAAP in accordance with FRS 102.

3. CORPORATE GOVERNANCE

The Board is committed to high standards of corporate governance. The Board places considerable emphasis on running the Company in a way it believes is best suited to the successful management of an investment trust on behalf of its Shareholders. In doing so, the Board has considered the principles and recommendations of the AIC Code. The AIC Code addresses all of the principles set out in the UK Corporate Governance Code, as well as setting out additional principles and recommendations which are of specific relevance to investment companies. The Company is a member of the AIC and the Company reports against the AIC Code.

The Company complies with the recommendations of the AIC Code and the relevant applicable provisions of the UK Corporate Governance Code, except in relation to the following provisions:

- the role of the chief executive;
- executive directors’ remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Code, and as explained in the UK Corporate Governance Code, the Board considers that these provisions are not relevant to the position of the Company, being an externally managed investment company.

3.1. Board independence, composition and tenure

The Chairman, each of the other Directors and each of the Prospective Directors is independent of the AIFM and the Investment Manager and each Director is, and each Prospective Director will be, non-executive. The executive responsibilities for investment management have been delegated to the AIFM. The AIFM has delegated day-to-day management of the Portfolio to the Investment Manager. Mr Charlie Ricketts is the Senior Independent Director.

Each Director is, and each Prospective Director will be, subject to the election/re-election provisions as set out in the Articles. These provide that each Director must retire and stand for re-election every three years and that each Director, other than the Chairman or any Director holding an executive office, must retire on an annual basis at each Annual General Meeting following the ninth anniversary of the date on which he or she was appointed or elected. Notwithstanding the provisions of the Articles, the Company’s policy is that each Director will be subject to annual re-election in accordance with the provisions of the AIC Code and that a Director’s tenure of office (including that of the Chairman) will normally be for up to nine years. When making a recommendation for re-electing a Director, the Board will take into account the ongoing requirements of the AIC Code.

The AIC Code provides that the Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors. Accordingly, the Board conducts an annual evaluation of its performance and that of its committees, the Chairman and individual Directors.

Directors’ fees are considered by the Board as a whole within the limits as set out in the Articles and in accordance with the Company’s remuneration policy which has been approved by Shareholders. The cap on the aggregate remuneration payable to the Directors as set out in the

Articles is currently £250,000 per annum. The level of the cap may be increased by Shareholder resolution from time to time. The Directors' remuneration is not subject to any performance related fee. The Directors are not eligible for bonuses, pension benefits, share options, long-term incentive schemes or other benefits.

It is expected that each of the Prospective Directors will, following their appointment, become a member of each committee listed below. Any changes to the composition or chairing of such committee will be determined as part of the annual nomination process.

3.2. Audit and Risk Committee

The Audit and Risk Committee is chaired by Gaynor Coley, who is a chartered accountant, and comprises all Directors with the exception of James Will, who can, upon invitation, attend meetings as an observer. The role of the Audit and Risk Committee is, broadly, to assist the Board in carrying out its responsibilities relating to the Company's accounting policies, internal controls, risk management and financial reporting functions. The Audit and Risk Committee also reviews the scope, results, cost effectiveness, independence and objectivity of the Company's external auditors. The Audit and Risk Committee meets at least three times per year and the Audit and Risk Committee's effectiveness is reviewed on an annual basis as part of the Board's performance evaluation process. At least once a year the Audit and Risk Committee meets with representatives from the AIFM's Compliance and Internal Audit teams and discusses any findings and recommendations relevant to the Company.

3.3. Management Engagement Committee

The Management Engagement Committee comprises all of the Directors and is chaired by James Will. The Board considers each member of the Management Engagement Committee to be independent. The role of the Management Engagement Committee is to review the performance of the AIFM and its compliance with the Management Agreement. The committee keeps the performance and the resources of the AIFM under constant review, conducts an annual review of the terms and conditions of the Management Agreement and undertakes an evaluation of the AIFM's performance under this Agreement. In monitoring the performance of the AIFM, the Board reviews the investment performance, management processes, risk control mechanisms and promotional activities of the AIFM and its affiliates. The performance of the AIFM and its affiliates remains under close review by the Management Engagement Committee.

3.4. Nomination Committee

The Nomination Committee is chaired by James Will and comprises all of the Directors. The Nomination Committee meets at least once per year and at such other times as may be required. The Nomination Committee seeks to ensure that the Board has an appropriate balance of skills and experience to carry out its fiduciary duties and to select and propose suitable candidates for appointment when necessary. The Nomination Committee has written terms of reference which include: (i) performance evaluation; (ii) succession planning; (iii) Board appointments; and (iv) tenure. The Nomination Committee also considers whether Directors should be recommended for re-election by Shareholders.

3.5. Remuneration Committee

The Remuneration Committee is chaired by Charlie Ricketts and comprises all of the Directors. The Remuneration Committee meets at least on an annual basis to consider the remuneration of the Directors. The Remuneration Committee reviews the remuneration of the Directors and Chairman against the fees paid to the directors of other investment companies of a similar size and nature, as well as taking into account other comparable data.

3.6. Senior Independent Director

The Company has appointed Charlie Ricketts as Senior Independent Director. The Senior Independent Director provides a sounding board for the chairperson and serves as an intermediary for the other Directors and Shareholders.

4. FEES AND EXPENSES

4.1. Issue expenses

The fixed direct costs of the Proposals payable by the Company are estimated to be approximately £750,000 (including irrecoverable VAT). In the event that implementation of the Scheme does not proceed, each party will bear its own costs.

The AIFM has agreed to make a contribution to the costs of the Scheme by means of a reduction in the management fee payable by the Company to AFML. The fee reduction will constitute a waiver of the management fee that would otherwise be payable by the Company to AFML in respect of the assets transferred by New Dawn to the Company pursuant to the Scheme for the first six months following the completion of the Scheme (the “**AFML Contribution**”). The AFML Contribution is subject to the Company not terminating the Management Agreement (other than for cause as provided for under the Management Agreement) within three years from the Effective Date of the Scheme, failing which the Enlarged Company will be obliged to repay all or part of the AFML Contribution (depending on the point of termination and reducing by one-third on each anniversary of the Effective Date). The AFML Contribution will be for the benefit of the Shareholders of the Enlarged Company following implementation of the Scheme. For the avoidance of doubt, the AFML Contribution will not be taken into account in the calculation of either the DGN FAV per Share or the ABD FAV per Share for the purposes of the Scheme.

No expenses will be charged directly to investors by the Company in connection with the Issue or Admission.

4.2. Ongoing expenses

The Company will also incur ongoing expenses. A summary of the key terms of the ongoing expenses, which are borne by the Company, are set out below, as are those ongoing expenses which are not readily quantifiable.

Directors

Each of the Directors is entitled to receive a fee from the Company at such rate as may be determined in accordance with the Articles. As at the date of this Prospectus, James Will, as Chairman, is entitled to receive £45,000 per annum, Gaynor Coley, as chair of the Audit and Risk Committee, is entitled to receive £37,750 per annum, Charlie Ricketts, as Senior Independent Director, is entitled to receive £33,600 per annum and all other Directors (including the Prospective Directors once they have been appointed to the Board) are entitled to receive £32,000 per annum.

All of the Directors are also entitled to be paid all reasonable expenses properly incurred by them in connection with the performance of their duties. These expenses may include those associated with attending general meetings, Board or committee meetings; travel and accommodation costs in relation to due diligence visits to Asia and legal fees. If the Board requests one or more of the Directors to perform services outside of those considered to be ordinary course on behalf of the Company, the Board may determine that additional remuneration may be paid to the Director or Directors.

Management fee

The annual management fee payable to the AIFM by the Company is currently 0.85 per cent. on the first £350 million of the Company's NAV, and 0.50 per cent. on NAV in excess of £350 million. For the purposes of calculation of the management fee, the NAV excludes: (i) the value of any investment funds managed by the AIFM; and (ii) 50 per cent. of the value of any investment funds managed or advised by investment managers other than the AIFM. The Company has holdings in Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund, which is managed and administered by abrdn plc. The Company pays a management fee on the value of these holdings but no fee is charged at the underlying fund level. Management fees are calculated and payable quarterly.

The AIFM has agreed that, subject to implementation of the Scheme and with effect from Admission, the management fee payable by the Company will be reduced to 0.75 per cent. on the initial £350 million of NAV, reducing to 0.50 per cent. on NAV in excess of £350 million.

As described in paragraph 4 of this Part 3, AFML has agreed to make a cost contribution in respect of the Proposals which, in addition to the contribution to the costs from the Cash Option

Discount described in paragraph 2 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus, is expected to offset the direct transaction costs for Shareholders.

Promotional fee

The Company has also agreed to pay a fee to the AIFM for the provision of promotional activities at an annual rate of £240,000. This fee is a part contribution to the overall marketing spend by the AIFM and is subject to annual review.

Depositary and Custodian fees

Under the terms of the Depositary Agreement (as supplemented from time to time), the Depositary is entitled to receive a minimum annual fee of £8,000 (exclusive of VAT). A custody fee in respect of global custodian services is also payable which constitutes an asset based fee equal to between 0.01 per cent. and 0.008 per cent. of the value of the assets of the Company. Transaction based fees are also payable of between £8.00 and £95.00 per transaction. The variable fees are dependent on the countries in which the individual holdings are registered. All fees are exclusive of VAT.

Registrar fees

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee per Shareholder account. The Registrar is entitled to vary these fees no more than once per calendar year on agreement with the Company. In doing so, the Registrar is entitled to apply a minimum annual increase at the rate of the Whole Economy Average Weekly Earnings Index prevailing at the time. In the 12 months prior to publication of this Prospectus, such fees amounted to approximately £25,500.

Other operational expenses

Other ongoing operational expenses that are borne by the Company include, but are not limited to, the following:

- fees and expenses of the corporate broker and fees and expenses associated with legal, audit and other professional services;
- any borrowing costs;
- certain direct transaction expenses;
- the ongoing costs of maintaining the listing of the Shares (where relevant) on the premium segment of the Official List and their continued admission to trading on the Main Market;
- NAV publication costs;
- Directors' travel and accommodation costs in relation to due diligence visits to Asia;
- Directors' and officers' insurance premiums; and
- costs of printing the Company's financial reports and posting them to Shareholders.

The Company's total fixed operational costs (excluding management fees, brokerage and other transaction charges and taxes, and any borrowing costs) are estimated, in the first year following the Issue, to amount to not more than approximately 0.21 per cent. per annum of the Enlarged Company's estimated NAV (based on the illustrative calculations as set out in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus).

Shareholders do not bear any fees, charges or expenses directly, other than any fees, charges or expenses incurred as a consequence of acquiring, transferring, redeeming or otherwise selling Shares.

5. CONFLICTS OF INTEREST

The AIFM and the Investment Manager and their officers and employees may be involved in other financial, investment or professional activities that may on occasion give rise to conflicts of interest with the Company. In particular, the AIFM and Investment Manager are wholly owned subsidiaries of abrdn plc, which manages and administers the Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund, an open-ended investment company in which the Company invests. For the purposes of

calculating the management fee under the Management Agreement, the Company pays a management fee on the value of its holdings in the Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund but no fee is chargeable at the underlying fund level.

In addition, the AIFM and the Investment Manager may provide investment management, investment advice or other services in relation to a number of funds that may have similar investment policies to that of the Company, including New Dawn.

As the AIFM's fees are based on a percentage of the Company's net assets, there is the potential for conflict in any valuations it proposes in relation to the Company's investments. However, the Company's Portfolio is comprised predominantly of listed securities in respect of which there is ordinarily little or no judgement as to valuation. Where there is any element of judgement by the AIFM or its affiliates as to valuation, this conflict is managed through the use of independent sources to value assets where possible and through Board review and approval of valuations.

The AIFM and the Investment Manager will have regard to their respective obligations under the Management Agreement or otherwise to act in the best interests of the Company, so far as is practicable having regard to their obligations to other clients or funds, should potential conflicts of interest arise.

The AIFM and the Investment Manager have each established internal control frameworks to provide reasonable assurances as to the effectiveness of the internal control systems operated on behalf of their respective clients. The AIFM and Investment Manager both report to the Board on a regular basis with regard to the operation of their respective internal controls and risk management within their respective operations in so far as it impacts the Company.

PART 4

DETAILS OF THE SCHEME AND THE ISSUE

1. INTRODUCTION

The Issue is being undertaken pursuant to the proposed scheme of reconstruction and members' voluntary winding up of New Dawn under section 110 of the Insolvency Act (the "**Scheme**"), which the New Dawn Board has resolved to recommend to New Dawn Shareholders. Under the Scheme, New Dawn will be placed into members' voluntary liquidation and Eligible New Dawn Shareholders will receive New Shares issued by the Company in exchange for the transfer to the Company of the Rollover Pool. New Dawn Shareholders may alternatively elect to receive cash under the terms of the Scheme.

The New Shares are only available to Eligible New Dawn Shareholders (and, subject to the terms of the Scheme, the Liquidators as nominees for Excluded New Dawn Shareholders) who elect, or are deemed to elect, for the Rollover Option under the Scheme. The New Shares are not being offered to Existing Shareholders (save to the extent an Existing Shareholder is also an Eligible New Dawn Shareholder) or to the public.

2. DETAILS OF THE SCHEME

2.1. Scheme overview

Subject to the passing of the resolutions to be proposed at the General Meeting to approve: (i) the issue of New Shares under the Scheme; and (ii) certain amendments to the Company's investment policy (the "**Investment Policy Change**"), and subject to the satisfaction of the other conditions of the Issue (details of which are set out in paragraph 4 of this Part 4), the Scheme will take effect on the Effective Date.

The Scheme will be implemented in accordance with the terms of the Transfer Agreement that will be entered into by the Company, New Dawn and the Liquidators. The Transfer Agreement provides for the Rollover Pool to be transferred to the Company in consideration for the issue of New Shares of an equivalent value to Eligible New Dawn Shareholders (and, subject to the terms of the Scheme, the Liquidators as nominees for Excluded New Dawn Shareholders) who elect, or are deemed to elect, for the Rollover Option under the Scheme. Further details of the Transfer Agreement are provided in paragraph 11 of Part 7 (*General Information*) of this Prospectus. Any cash that is transferred in accordance with the terms of the Transfer Agreement will be invested by the Company in accordance with the Company's investment policy.

Subject to the terms of the Scheme, each New Dawn Shareholder on the New Dawn Register on the Record Date may elect to receive:

- such number of New Shares as have a value (at the DGN FAV per Share) equal to the ABD FAV per Share attributable to the number of New Dawn Shares so elected, being the "**Rollover Option**"; and/or
- an amount of cash equal to the Cash Pool NAV per Share (less the costs and expenses of realising the assets appropriated to the Cash Pool (and any value changes after the Calculation Date)) attributable to the number of New Dawn Shares so elected, being the "**Cash Option**".

The Cash Option is limited to 25 per cent. of the New Dawn Shares in issue (excluding New Dawn Shares held in treasury). New Dawn Shareholders are entitled to elect for the Cash Option in respect of more than 25 per cent. of their individual holdings of New Dawn Shares (the "**Basic Entitlement**", such excess amount being an "**Excess Application**"). However, should total elections and deemed elections for the Cash Option exceed 25 per cent. of the New Dawn Shares in issue (excluding New Dawn Shares held in treasury), Excess Applications for the Cash Option will be scaled back into New Shares in a manner that is, as near as practicable, *pro rata* to the number of New Dawn Shares elected under such Excess Applications.

New Dawn Shareholders will be deemed to have elected for the Rollover Option as the default option in the event that they do not make a formal election under the Scheme or to the extent elections for the Cash Option in excess of 25 per cent. of New Dawn Shareholders' holdings are

scaled back as a result of the Cash Option being oversubscribed. However, Excluded New Dawn Shareholders (including Overseas New Dawn Shareholders) should read paragraph 9 of this Part 4.

The issue of New Shares under the Scheme will be effected on a formula asset value (“FAV”) for formula asset value basis as at the Calculation Date. On the Calculation Date, or as soon as practicable thereafter, New Dawn, in consultation with the Liquidators, shall procure the finalising of the division of New Dawn’s undertaking, cash and other assets into three separate and distinct pools, namely the Liquidation Pool, the Cash Pool and the Rollover Pool, as follows and in the following order:

- first, there shall be appropriated to the Liquidation Pool such of the cash, undertaking and other assets of New Dawn estimated by the Liquidators (in consultation with the New Dawn Directors) to be sufficient to meet the current and future, actual and contingent liabilities of New Dawn, including (save to the extent that the same have already been deducted in calculating the total assets of New Dawn) the costs of the Scheme to be borne by New Dawn, the Liquidators’ Retention and the entitlements of any New Dawn Shareholders that dissent to the Scheme. Further details of the Liquidation Pool are set out in the section entitled “*Liquidation Pool*” in paragraph 2.2 of this Part 4.
- second, there shall be appropriated to the Cash Pool and the Rollover Pool all the undertaking, cash and other assets of the Company remaining after the appropriation referred to in respect of the Liquidation Pool, on the following basis:
 - there shall first be appropriated to the Cash Pool such proportion of the undertaking, cash and other assets as shall equal the Cash Pool NAV; and
 - there shall be appropriated to the Rollover Pool in accordance with the Scheme, the balance of the undertaking, cash and other assets of New Dawn.

In advance of the transfer of the Rollover Pool, the New Dawn Directors intend that New Dawn and/or the New Dawn AIFM (or their agents) will have, to the extent practicable, realised or realigned the undertaking and business carried on by New Dawn in accordance with the Scheme and the elections made or deemed to have been made thereunder so that, as far as practicable, New Dawn will hold, in addition to assets destined to become the Cash Pool and the Liquidation Pool, investments suitable for transfer to the Company under the Transfer Agreement. The Rollover Pool will therefore consist of investments aligned with the Company’s investment policy as at the Effective Date, cash and cash equivalents.

2.2. Liquidation Pool

On or following the Effective Date, the Liquidation Pool shall be applied by New Dawn (acting by the Liquidators) in discharging the liabilities of New Dawn. Any remaining balance of the Liquidation Pool shall be distributed in cash by the Liquidators pursuant to the Scheme to all New Dawn Shareholders (excluding any Dissenting New Dawn Shareholders) who were on the New Dawn Register on the Effective Date in proportion to their respective holdings of New Dawn Shares on the Effective Date provided that if any such amount payable to any New Dawn Shareholder is less than £5.00, it shall not be paid to the New Dawn Shareholder but instead will be retained by the Liquidators for the benefit of the Company.

2.3. Cash Option

New Dawn Shareholders who elect (or are deemed to elect) for the Cash Option will receive an amount in cash equal to the ABD FAV per Share less a discount of 2 per cent. multiplied by the number of New Dawn Shares in respect of which such New Dawn Shareholder has elected (or been deemed to elect) for the Cash Option, less the costs and expenses of realising the assets allocated to the Cash Pool (and any valuation changes after the Calculation Date). The benefit of the discount applied under the Cash Option will accrue to the Enlarged Company.

As noted above, the Cash Option is limited to 25 per cent. of the New Dawn Shares in issue (excluding New Dawn Shares held in treasury) as at the Calculation Date. Should total elections and deemed elections for the Cash Option exceed 25 per cent. of the New Dawn Shares in issue (excluding New Dawn Shares held in treasury), Excess Applications for the Cash Option will be scaled back into New Shares in a manner that is, as near as practicable, *pro rata* to the number of New Dawn Shares elected under such Excess Applications.

2.4. Rollover Option

The number of New Shares to which each Eligible New Dawn Shareholder who elects, or is deemed to have elected for, the Rollover Option will be entitled will be calculated by dividing the ABD FAV per Share by the DGN FAV per Share and applying this ratio (which will be calculated to six decimal places, with 0.0000005 rounded down) to the number of New Dawn Shares in respect of which that Eligible New Dawn Shareholder has elected, or is deemed to have elected, for the Rollover Option. For the avoidance of doubt, the Cash Option Discount will be allocated to the Rollover Pool but will not be taken into account in calculating the above exchange ratio.

The ABD FAV per Share will be calculated on the basis of the NAV per New Dawn Share as at the Calculation Date adjusted for:

- (a) the value of the Liquidation Pool, including the Liquidators' Retention; and
- (b) any costs of the Proposals payable by New Dawn but not accrued in New Dawn's NAV as at the Calculation Date,

being the "**Residual Net Asset Value**" divided by the number of New Dawn Shares in issue (excluding any New Dawn Shares held in treasury and any New Dawn Shares held by Dissenting New Dawn Shareholders) (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down) (the "**ABD FAV per Share**").

The DGN FAV per Share will be calculated on the basis of the Company's NAV per Share as at the Calculation Date adjusted for:

- (a) any direct costs of the Proposals payable by the Company but not accrued in the Company's NAV as at the Calculation Date; and
- (b) the declaration by the Company of any dividends which have a record date prior to the Calculation Date,

the "**DGN FAV per Share**".

Excluded New Dawn Shareholders will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New Shares, in respect of the remainder of their New Dawn Shares. Such New Shares will be issued to the Liquidators as nominees for the relevant Excluded New Dawn Shareholder and sold by the Liquidators in the market and the net proceeds paid to the relevant Excluded New Dawn Shareholder, as discussed in paragraph 9 of this Part 4.

3. DETAILS OF THE ISSUE

The New Shares are ordinary shares, denominated in Sterling, in the Company and will rank equally in all respects with the existing issued Shares (other than in respect of any dividends which have a record date prior to the Calculation Date). For the avoidance of doubt, New Dawn Shareholders receiving New Shares under the Scheme will not, in respect of those New Shares, be entitled to the dividend payable by the Company in respect of its financial year ended 31 August 2023.

The number of New Shares to be issued under the Scheme is not known as at the date of this Prospectus as it will be calculated in accordance with the formula stated above as at the Calculation Date and will depend on the elections and deemed elections made under the Scheme. The number of New Shares to be issued will be announced through an RIS announcement on the Effective Date. The Issue is not being underwritten.

For illustrative purposes only, had the Calculation Date been 5.00 p.m. on 19 September 2023 and assuming there are no Dissenting New Dawn Shareholders, the ABD FAV per Share would have been 285.674759 pence and the Cash Pool NAV per Share would have been 279.961264 pence. The ABD FAV per Share and the Cash Pool NAV per Share may be compared with the New Dawn Share price and cum-income NAV per New Dawn Share as at 19 September 2023 which were 254.00 pence and 286.39 pence, respectively.

For illustrative purposes only, the DGN FAV per Share would have been 424.292143 pence, which may be compared with the Share price and cum-income NAV per Share as at 19 September 2023 which were 355.00 pence and 424.95 pence, respectively. On the basis of the above, the Rollover Option would have produced a conversion ratio of 0.673297 and, in aggregate, 52,752,659 New Shares would have been issued under the Scheme, representing approximately 31.74 per cent. of the issued ordinary share capital of the Enlarged Company immediately following

the completion of the Scheme. The Enlarged Company would also then pay listing fees in relation to the listing of the New Shares and any acquisition costs and taxes on the transfer of the Rollover Pool.

The Company will notify Shareholders of the results of the Scheme and the Issue, including the calculations of the ABD FAV per Share, the DGN FAV per Share, the Cash Pool NAV per Share and the number of New Shares to be issued under the Scheme, through an RIS as soon as reasonably practicable following the Calculation Date and prior to the Issue.

4. CONDITIONS OF THE ISSUE

The Issue is conditional upon:

- the passing of the New Dawn Resolutions to approve the Scheme and the winding up of New Dawn at the New Dawn General Meetings and the Scheme becoming unconditional in all respects (including the Transfer Agreement becoming unconditional in all respects);
- the passing of the Resolutions to approve the: (i) issue of the New Shares pursuant to the Scheme and (ii) the Investment Policy Change at the General Meeting, and such Resolutions becoming unconditional in all respects;
- the FCA agreeing to admit the New Shares to the Official List and the London Stock Exchange agreeing to admit the New Shares to trading on the Main Market, subject only to allotment; and
- the Directors and the New Dawn Directors resolving to proceed with the Scheme.

Unless the conditions referred to above have been satisfied or, to the extent permitted, waived by both the Company and New Dawn on or before 30 November 2023, no part of the Proposals will become effective and the New Shares will not be issued.

5. DISSENTING NEW DAWN SHAREHOLDERS

Provided that a New Dawn Shareholder does not vote in favour of the New Dawn Resolutions to be proposed at the First New Dawn General Meeting, such New Dawn Shareholder may within seven days following the First New Dawn General Meeting, express his or her dissent to the Liquidators in writing at New Dawn's registered office and require the Liquidators to purchase the New Dawn Shareholder's interest in New Dawn. The Liquidators will offer to purchase the interests of the Dissenting New Dawn Shareholders at the realisation value, this being an estimate of the amount a New Dawn Shareholder would receive per New Dawn Share in an ordinary winding up of New Dawn if all of the assets of New Dawn had to be realised and distributed to New Dawn Shareholders after repayment of the liabilities of New Dawn. The realisation value of a New Dawn Share is expected to be below the unaudited cum-income NAV per New Dawn Share and the Liquidators will not purchase the interests of Dissenting New Dawn Shareholders until all other liabilities of New Dawn have been settled and HMRC has confirmed that it has no objections to the closure of the liquidation.

In order to purchase the interests of any Dissenting New Dawn Shareholders, the New Dawn Board, in consultation with the Liquidators, will appropriate an amount of the cash, undertaking and other assets of New Dawn to the Liquidation Pool which it believes is sufficient to purchase the interests of such New Dawn Shareholders. Save as otherwise provided in this paragraph 5, any New Dawn Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act shall be disregarded for the purposes of the Scheme and shall be treated as if those New Dawn Shares were not in issue.

6. DILUTION

Unless they are also holders of New Dawn Shares, Existing Shareholders are not able to participate in the Issue and will suffer a dilution to the percentage of the issued share capital that their current holding represents based on the actual number of New Shares issued under the Scheme.

For illustrative purposes only, if 52,752,659 New Shares were to be issued under the Scheme (being the estimated number of New Shares that will be issued pursuant to the Issue, assuming that (i) no New Dawn Shareholders exercise their right to dissent from participation in the Scheme, (ii) 25 per cent. of the total New Dawn Shares are elected or deemed elected for the Cash Option

and (iii) the ratio between the DGN FAV per Share and the ABD FAV per Share is 0.673297 as outlined in paragraph 3 of this Part 4) then, based on the issued share capital of the Company as at 19 September 2023, and assuming that: (i) an Existing Shareholder is not a New Dawn Shareholder and is therefore not able to participate in the Issue and (ii) there had been no change to the Company's issued share capital prior to Admission, an Existing Shareholder holding 1.0 per cent. of the Company's issued Share capital as at 19 September 2023 would then hold approximately 0.68 per cent. of the Company's issued share capital following the Issue.

7. COSTS AND EXPENSES OF THE PROPOSALS

Subject as noted below, if the Scheme is implemented, the Company and New Dawn have each agreed to bear their own costs associated with the Proposals. The fixed direct costs of the Proposals payable by the Company are expected to be approximately £750,000 inclusive of VAT (which is assumed to be irrecoverable) where applicable. In addition, the Enlarged Company will also incur listing fees in respect of the listing of the New Shares issued under the Scheme and the acquisition costs and taxes based on the value and constitution of the Rollover Pool transferred to the Company.

The Liquidators' Retention is estimated at £100,000 and will be retained by the Liquidators to meet any unknown or unascertained liabilities of New Dawn. To the extent some or all of the Liquidators' Retention remains when the Liquidators decide to close the liquidation, this will be returned to New Dawn Shareholders on the New Dawn Register as at the Record Date provided that if any such amount payable to any New Dawn Shareholder is less than £5.00, it shall not be paid to the New Dawn Shareholder but instead will be retained by the Liquidators for the benefit of the Company.

Any costs of realignment/realisation of the New Dawn Portfolio incurred prior to the Calculation Date will be borne by New Dawn, with any such costs incurred after the Calculation Date to be borne by the Enlarged Company.

In the event that implementation of the Scheme does not proceed, each party will bear its own costs.

The AIFM has agreed to make a contribution to the costs of the Scheme by means of a reduction in the management fee payable by the Company to AFML. The fee reduction will constitute a waiver of the management fee that would otherwise be payable by the Company to AFML in respect of the assets transferred by New Dawn to the Company pursuant to the Scheme for the first six months following the completion of the Scheme (the "**AFML Contribution**"). The AFML Contribution is subject to the Company not terminating the Management Agreement (other than for cause as provided for under the Management Agreement) within three years from the Effective Date of the Scheme, failing which the Enlarged Company will be obliged to repay all or part of the AFML Contribution (depending on the point of termination and reducing by one-third on each anniversary of the Effective Date). The AFML Contribution will be for the benefit of the Shareholders of the Enlarged Company following implementation of the Scheme. For the avoidance of doubt, the AFML Contribution will not be taken into account in the calculation of either the DGN FAV per Share or the ABD FAV per Share for the purposes of the Scheme.

8. ADMISSION AND DEALINGS

Applications will be made by the Company to the FCA and to the London Stock Exchange for the New Shares to be admitted to the premium segment of the Official List and to trading on the Main Market, respectively. It is not intended that any class of shares in the Company be admitted to listing or trading in any other jurisdiction. If the Proposals become effective, it is expected that the New Shares will be admitted to the Official List, and dealings on the Main Market will commence, on 9 November 2023.

The ISIN of the New Shares will be GB0002945029. The New Shares will be in registered form and may be held in either certificated or uncertificated form. Eligible New Dawn Shareholders who elect, or are deemed to have elected, for the Rollover Option and who hold their relevant New Dawn Shares in certificated form at the Record Date will receive their New Shares in certificated form and at their own risk. Temporary documents of title will not be issued. It is expected that certificates in respect of New Shares to be issued to the Eligible New Dawn Shareholders entitled thereto will be despatched by no later than 10 Business Days from the Effective Date.

Eligible New Dawn Shareholders who elect, or are deemed to have elected, for the Rollover Option and who hold their relevant New Dawn Shares in uncertificated form as at the Record Date will receive their New Shares in uncertificated form on 9 November 2023, although the Company reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised by the Company in the event of an interruption, failure or breakdown of CREST or the facilities or system operated by the Company's Registrar in connection with CREST. The Company will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New Shares in uncertificated form.

Fractional entitlements to New Shares will not be issued under the Scheme and entitlements will be rounded down to the nearest whole number of New Shares. No cash payments will be made or returned in respect of any fractional entitlements which will be retained for the benefit of the Company.

9. EXCLUDED NEW DAWN SHAREHOLDERS

The terms of the Scheme, as they relate to Overseas New Dawn Shareholders, may be affected by the laws of the relevant jurisdiction. Overseas New Dawn Shareholders should inform themselves about, and observe, any applicable legal requirements.

It is the responsibility of Excluded New Dawn Shareholders to satisfy themselves (and the Directors) as to the observance of the laws of the relevant jurisdiction in connection with the issue of New Shares, including the obtaining of any governmental or exchange control or other consents which may be required, the compliance with any other necessary formalities which need to be observed and the payment of any issue, transfer or other taxes or duties due in such jurisdiction.

Excluded New Dawn Shareholders will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New Shares for the remainder of their New Dawn Shares. Such New Shares will be issued to the Liquidators as nominees for the relevant Excluded New Dawn Shareholder and sold by the Liquidators as nominees in the market for the relevant Excluded New Dawn Shareholder (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Excluded New Dawn Shareholder and the value of the New Dawn Shares held by the relevant Excluded New Dawn Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid:

- a) to the relevant Overseas New Dawn Shareholder entitled to them as soon as reasonably practicable and in any event no later than 10 Business Days after the date of sale, save that entitlements of less than £5.00 per Overseas New Dawn Shareholder will be retained in the Liquidation Pool; or
- b) in respect of Sanctions Restricted Persons, at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulations.

Overseas New Dawn Shareholders who are subject to taxation outside of the United Kingdom should consult their tax adviser as to the tax effect of the Proposals on them.

The relevant clearances have not been, and will not be, obtained from the securities commission of any province of Canada, Australia, Japan, New Zealand or the Republic of South Africa. No offer is being made, directly or indirectly, under the Scheme in or into by the use of mails, or by means of instrumentality (including, without limitation, facsimile, transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, of the United States (subject to certain exceptions described herein), Australia, Canada, Japan, New Zealand or the Republic of South Africa.

Overseas New Dawn Shareholders who wish to participate in the Issue should contact Equiniti by no later than 5.00 p.m. on 20 October 2023 if they are able to demonstrate, to the satisfaction of the Directors and New Dawn, that they can be issued New Shares without breaching any relevant securities laws.

Overseas New Dawn Shareholders will not receive a copy of this Prospectus unless they have satisfied the Directors that they are entitled to receive and hold New Shares without breaching any relevant securities laws and without the need for compliance on the part of the Company or New Dawn with any overseas laws, regulations, filing requirements or the equivalent.

Sanctions Restricted Persons will not be entitled to receive a copy of this Prospectus in any circumstance.

Notice to US New Dawn Shareholders

In connection with the Issue, the New Shares are being offered or sold only: (i) outside the United States in “offshore transactions” to non-US Persons pursuant to Regulation S under the US Securities Act; and (ii) to persons that are both QIBs and Qualified Purchasers pursuant to an exemption from the registration requirements of the US Securities Act, and that, in the case of (ii), have executed a US Investor Representation Letter and returned it to the Company and Equiniti as receiving agent to New Dawn.

The Scheme is being implemented subject to United Kingdom disclosure requirements which are different from certain United States disclosure requirements. In addition, US New Dawn Shareholders should be aware that this document has been prepared in accordance with a UK format and style, which differs from the US format and style. In particular, parts of this document contain information concerning the Scheme required by UK disclosure requirements which may be material and may not have been summarised elsewhere in this document. Furthermore, the Scheme will be subject to other procedural requirements, including with respect to withdrawal rights, settlement procedures and timing of payments that are different from those applicable under US domestic tender offer procedures and law.

US New Dawn Shareholders should note that the New Shares are not listed on a US securities exchange and the Company is not subject to the periodic reporting requirements of the US Exchange Act and is not required to, and does not, file any reports with the US Securities and Exchange Commission thereunder (the “SEC”). The Scheme is not subject to the disclosure and other procedural requirements of Regulation 14D under the US Exchange Act

It may be difficult for US New Dawn Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since the Company is located in a foreign country, and the majority of its officers and directors are residents of a foreign country. US New Dawn Shareholders may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court’s judgement. Whether located in the United States or elsewhere, US New Dawn Shareholders will receive any cash consideration in Pounds Sterling.

In accordance with the UK Takeover Code, normal UK practice and Rule 143-5(b) of the US Exchange Act (if applicable), Winterflood Securities Limited will continue to act as a connected exempt market maker or connected exempt principal trader in the Shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will only be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website.

The New Shares have not been and will not be registered under the US Securities Act, and the New Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of US Persons, except pursuant to an exemption from the registration requirements of the US Securities Act.

The Company is not, and does not intend to be, registered under the US Investment Company Act and investors in the New Shares are not, and will not be, entitled to the benefits of the US Investment Company Act. There has not been, and there will not be, any public offer of the New Shares in the United States.

There are significant restrictions on the resale of New Shares by persons that are located in the United States, that are US Persons, or who hold New Shares for the account or benefit of US Persons and on the resale of New Shares to any person who is located in the United States or to, or for the account or benefit of, a US Person. If in the future the initial purchaser, as well as any subsequent holder, decides to offer, sell, transfer, assign or otherwise dispose of the New Shares, they may do so only: (i) outside the United States in an “offshore transaction” complying with the provisions of Regulation S under the US Securities Act to a person not known by the transferor to be a US Person, by prearrangement or otherwise; or (ii) to the Company or a subsidiary thereof.

10. TAXATION

The attention of New Dawn Shareholders is drawn to the summary of tax matters set out in Part 6 (*UK Taxation*) of this Prospectus. New Dawn Shareholders should seek tax advice from their own tax adviser about the taxation consequences of acquiring/receiving, holding or disposing of New Shares.

PART 5

FINANCIAL INFORMATION

1. INTRODUCTION

The financial information contained in the sections titled “*Historical Financial Information*”, “*Operating and Financial Review*” and “*Selected Financial Information*” of this Part has been extracted without material adjustment from: (i) the reports and audited financial statements of the Company for the financial years ended 31 August 2020 (the “**2020 Annual Report**”), 31 August 2021 (the “**2021 Annual Report**”) and 31 August 2022 (the “**2022 Annual Report**”), and (ii) the report and unaudited financial statements of the Company for the financial period ended 28 February 2023 (the “**2023 Interim Report**”).

The 2020 Annual Report was prepared under UK GAAP in accordance with FRS 102 and was audited by KPMG LLP whose report was unqualified and did not contain any statement under section 498(2) or (3) of the Companies Act. KPMG LLP are registered to carry on audit work in the UK and the Republic of Ireland by the Institute of Chartered Accountants in England and Wales. Both of the 2021 Annual Report and 2022 Annual Report were prepared under UK GAAP in accordance with FRS 102 and were audited by PricewaterhouseCoopers LLP whose report was unqualified and did not contain any statement under section 498(2) or (3) of the Companies Act. PricewaterhouseCoopers LLP are registered to carry on audit work in the UK and the Republic of Ireland by the Institute of Chartered Accountants in England and Wales.

Copies of the 2020 Annual Report, 2021 Annual Report, 2022 Annual Report and the 2023 Interim Report are available for inspection in the ‘*Literature*’ section of on the Company’s website at www.asiadragontrust.co.uk.

2. HISTORICAL FINANCIAL INFORMATION

Historical financial information relating to the Company on the matters referred to below is included in the 2020 Annual Report, 2021 Annual Report, 2022 Annual Report and the 2023 Interim Report as set out in the table below and is expressly incorporated by reference into this Prospectus. The non-incorporated parts of these reports of the Company are either not relevant to investors or covered elsewhere in this Prospectus.

	2023 Interim Report (unaudited) Page No.	2022 Annual Report Page No.	2021 Annual Report Page No.	2020 Annual Report Page No.
Nature of information				
Performance highlights	1	2	2	2
Independent auditor’s report	—	65-71	58 – 64	55 – 59
Statement of comprehensive income	20	72	65	60
Statement of financial position	21	73	66	61
Statement of changes in equity	22	74	67	62
Statement of cash flows	23	75	68	63
Notes to the financial statements	24-29	76-96	69 – 84	64 – 79

3. SELECTED FINANCIAL INFORMATION

The key audited figures that summarise the financial condition of the Company in respect of the financial years ended 31 August 2020, 31 August 2021 and 31 August 2022, and the key unaudited figures in respect of the six month period ended 28 February 2023, each of which have been extracted without material adjustment from the historical financial information referred to in paragraph 2 above, are set out in the tables below.

Statement of Comprehensive Income

	6 months ended 28 February 2023 (unaudited) (£'000)	Year ended 31 August 2022 (£'000)	Year ended 31 August 2021 (£'000)	Year ended 31 August 2020 (£'000)
(Losses)/gains on investments	(44,882)	(65,385)	119,603	19,336
Currency gains/(losses)	(855)	455	(573)	(893)
Income	3,218	11,127	13,074	13,240
Investment management fee	(2,001)	(4,387)	(4,774)	(4,058)
Administrative expenses	(562)	(1,007)	(1,102)	(1,070)
Net return/(loss) before finance costs and taxation	(45,082)	(59,197)	126,228	26,555
Interest payable and similar charges	(1,054)	(1,064)	(756)	(548)
Return/(loss) before taxation	(46,136)	(60,261)	125,472	26,007
Taxation	(63)	(260)	(4,291)	(549)
Return/(loss) after taxation	(46,199)	(60,521)	121,181	25,458
Return/(loss) per Ordinary share (pence)	(38.98)	(49.53)	96.60	19.94

Statement of Financial Position

	As at 28 February 2023 (unaudited) (£'000)	As at 31 August 2022 (£'000)	As at 31 August 2021 (£'000)	As at 31 August 2020 (£'000)
Non-current assets				
Investments at fair value through profit or loss	605,866	672,379	766,794	620,827
Current assets				
Debtors and prepayments	1,191	2,693	5,782	3,929
Cash and cash equivalents	2,957	5,094	5,000	11,390
	4,148	7,787	10,782	15,319
Creditors: amounts falling due within one year				
Bank loan	(30,000)	(35,000)	(64,998)	(6,000)
Other creditors	(3,600)	(3,413)	(1,840)	(4,666)
	(33,600)	(38,413)	(66,838)	(10,666)
Net current liabilities/assets	(29,452)	(30,626)	(56,056)	4,653
Creditors: amounts falling due after more than one year				
Bank loan	(24,987)	(24,983)	—	(24,995)
Deferred tax liability on Indian capital gains	(1,473)	(2,401)	(3,809)	(1,054)
	(26,460)	(27,384)	(3,809)	(26,049)
Net assets	549,954	614,369	706,929	599,431
Share capital and reserves				
Called-up share capital	31,922	31,922	31,922	31,922
Share premium account	60,416	60,416	60,416	60,416
Capital redemption reserve	28,154	28,154	28,154	28,154
Capital reserve	395,060	453,273	545,582	441,359
Revenue reserve	34,402	40,604	40,855	37,580
Total shareholders' funds	549,954	614,369	706,929	599,431
Net asset value per Ordinary share (pence)	469.24	513.32	566.60	474.39

Statement of Changes in Equity

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 August 2020	31,922	60,416	28,154	441,359	37,580	599,431
(Loss)/return after taxation	—	—	—	111,941	9,240	121,181
Buyback of Ordinary shares for treasury	—	—	—	(7,718)	—	(7,718)
Dividend paid	—	—	—	—	(5,965)	(5,965)
Balance at 31 August 2021	31,922	60,416	28,154	545,582	40,855	706,929
(Loss)/return after taxation	—	—	—	(68,311)	7,790	(60,521)
Buyback of Ordinary shares for treasury	—	—	—	(23,998)	—	(23,998)
Dividend paid	—	—	—	—	(8,041)	(8,041)
Balance at 31 August 2022	31,922	60,416	28,154	453,273	40,604	614,369
(Loss)/return after taxation	—	—	—	(47,723)	1,524	(46,199)
Buyback of Ordinary shares for treasury	—	—	—	(10,490)	—	(10,490)
Dividend paid	—	—	—	—	(7,726)	(7,726)
Balance at 28 February 2023 (unaudited)	31,922	60,416	28,154	395,060	34,402	549,954

Statement of Cash Flows

	6 months ended 28 February 2023 (unaudited) (£'000)	Year ended 31 August 2022 (£'000)	Year ended 31 August 2021 (£'000)	Year ended 31 August 2020 (£'000)
Operating activities				
Net return before taxation	(46,136)	(60,261)	125,472	26,007
Adjustment for:				
Losses/(gains) on investments	44,882	65,385	(119,603)	(19,336)
Currency (gains)/losses	855	(455)	573	893
(Increase)/decrease in accrued dividend income	(4)	(232)	568	138
(Increase)/decrease in other debtors	857	(466)	14	31
Increase/(decrease) in other creditors	(23)	1,473	176	81
Interest payable and similar charges	1,054	1,064	756	548
Scrip dividends included in investment income	—	—	(587)	(222)
Overseas withholding tax	271	(1,323)	(1,767)	(1,329)
Cash from operations	1,756	5,185	5,602	6,811
Interest paid	(1,050)	(1,013)	(749)	(545)
Net cash inflow from operating activities	706	4,172	4,853	6,266
Investing activities				
Purchases of investments	(58,759)	(210,345)	(259,733)	(179,449)
Sales of investments	80,669	243,361	229,021	190,990
Capital gains tax on sales	(622)	(701)	(187)	(112)
Net cash inflow/(outflow) from investing activities	21,288	32,315	(30,899)	11,429
Financing activities				
Equity dividends paid	(7,726)	(8,041)	(5,965)	(6,088)
Buyback of Ordinary shares	(10,550)	(23,807)	(7,806)	(9,489)
Tender Offer for Ordinary shares inclusive of expenses	—	—	—	(5)
Repayment of bank loans	(5,000)	(65,000)	—	—
Drawdown of bank loans	—	60,000	34,000	—
Net cash (used in)/from financing activities	(23,276)	(36,848)	20,229	(15,582)
Increase/(Decrease) in cash and cash equivalents	(1,282)	(361)	(5,817)	2,113
Analysis of changes in cash and cash equivalents during the year				
Opening balance	5,094	5,000	11,390	10,170
Effect of exchange rate fluctuations on cash held	(855)	455	(573)	(893)
Increase/(decrease) in cash and cash equivalents as above	(1,282)	(361)	(5,817)	2,113
Closing cash and cash equivalents	2,957	5,094	5,000	11,390
Represented by:				
Money market funds	5	1,000	500	3,300
Cash and short term deposits	2,952	4,094	4,500	8,090
	2,957	5,094	5,000	11,390

4. OPERATING AND FINANCIAL REVIEW

The 2020 Annual Report, 2021 Annual Report and 2022 Annual Report, and the 2023 Interim Report, included, on the pages specified in the table below, descriptions of the Company's financial condition (in both capital and revenue terms), changes in its financial condition and details of the Portfolio for the relevant period. These sections are expressly incorporated by reference into this Prospectus. The non-incorporated parts of these reports of the Company are either not relevant to investors or covered elsewhere in this Prospectus.

	2022 Annual Report Page No.	2021 Annual Report Page No.	2020 Annual Report Page No.	2023 Interim Report Page No.
Nature of information				
Chairman's statement	8-10	6-9	6-9	4-5
Investment Manager's review	11-14	10-12	10-12	6-8
List of investments	35-37	31-33	25-27	12-14

5. DOCUMENTS INCORPORATED BY REFERENCE

The following sections of the 2020 Annual Report, 2021 Annual Report, 2022 Annual Report and the 2023 Interim Report are deemed relevant to investors for the purposes of this Prospectus and are incorporated by reference into this Prospectus. The non-incorporated parts of these financial reports of the Company are either not relevant to investors or are covered elsewhere in this Prospectus.

- the sections listed in paragraph 2 "*Historical financial information*" of this Part 5 (*Financial information (Including Portfolio information)*); and
- the sections listed in paragraph 4 "*Operating and financial review*" of this Part 5 (*Financial information (Including Portfolio information)*).

The documents incorporated by reference can be obtained from the Company's website (www.asiadragontrust.co.uk).

6. SIGNIFICANT CHANGE

As at the date of this Prospectus, save for the buyback by the Company of 3,775,757 Shares, there has been no significant change in the financial position of the Company since 28 February 2023, being the end of the last financial period for which unaudited financial information has been published.

7. CAPITALISATION AND INDEBTEDNESS

The following table sets out the capitalisation and indebtedness of the Company (distinguishing between guaranteed and unguaranteed, and secured and unsecured indebtedness) as at 31 July 2023:

	(£'000)
Total current debt	
– Guaranteed	—
– Secured	—
– Unguaranteed/unsecured	39,991
	<u>39,991</u>
Total non-current debt (excluding current portion of non-current debt)	
– Guaranteed	—
– Secured	—
– Unguaranteed/unsecured	—
	<u>—</u>
	<u>—</u>
	(£'000)
Shareholder equity	
– Called-up Share capital	31,922
– Share premium	60,416
– Capital redemption reserve	28,154
– Capital reserve	350,996
– Revenue reserve	40,321
	<u>511,809</u>
Total	<u>511,809</u>

The information in the table above is unaudited financial information extracted from internal management accounting records as at 31 July 2023.

The following table shows the Company's total financial indebtedness as at 31 July 2023. The information in the following table is unaudited financial information extracted from internal management accounting records as at 31 July 2023.

	£'000
A. Cash	6,358
B. Cash equivalents	1
C. Other current financial assets	—
D. Liquidity (A+B+C)	6,359
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	39,991
F. Current portion of non-current financial debt	—
G. Current financial indebtedness (E+F)	39,991
H. Net current financial indebtedness (G-D)	33,632
I. Non-current financial debt (excluding current portion and debt instruments)	—
J. Debt instruments	—
K. Non-current trade and other payables	—
L. Non-current financial indebtedness (I+J+K)	—
M. Total financial indebtedness (H+L)	<u>33,632</u>

As at 31 July 2023, the Company had no indirect or contingent indebtedness. As at the date of this Prospectus, there has been no material change in the indebtedness position of the Company since 31 July 2023.

8. WORKING CAPITAL

The Company is of the opinion that the working capital available to the Company is sufficient for the Company's present requirements (that is, for at least the next 12 months from the date of this Prospectus).

9. NET ASSET VALUE

The unaudited Net Asset Value per Share as at 19 September 2023 was 424.95 pence, including current income, with borrowing at fair value.

PART 6

UK TAXATION

1. GENERAL

The information below, which relates only to the UK, summarises the advice received by the Board and is applicable to the Company and (except in so far as express reference is made to the treatment of other persons) to persons who are resident in the UK for taxation purposes and who hold Shares as an investment. It is based on current UK taxation law and published practice, respectively, which law or practice is, in principle, subject to any subsequent changes therein (potentially with retrospective effect). It is not intended to be, nor should it be construed to be, legal or tax advice. Certain Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring/receiving their Shares in connection with their employment may be taxed differently and are not considered. The tax consequences for each Shareholder of investing in the Company may depend upon the Shareholder's own tax position and upon the relevant laws of any jurisdiction to which the Shareholder is subject. The tax legislation of each investor's home country and of the Company's country of incorporation may have an impact on the income received from the Shares.

In particular, the information below does not address the US federal income tax considerations applicable to an investment in the New Shares. Each prospective investor should consult its own tax advisers regarding the US federal income tax consequences of any such investment.

All tax rates and allowances refer to those in force in the UK fiscal year 2023/24. Tax rates and allowances may change in subsequent years.

If you are in any doubt about your tax position, you should consult your tax adviser.

2. THE COMPANY

The Company is an investment trust under section 1158 of the Corporation Tax Act. The Board has conducted the affairs of the Company, and intends to conduct the affairs of the Company in the future, so as to enable it to satisfy the conditions necessary for it to continue to be eligible as an investment trust under sections 1158 and 1159 of Chapter 4 of Part 24 of the Corporation Tax Act and the Investment Trust Tax Regulations. However, neither the AIFM nor the Directors can provide assurance that this eligibility will be maintained. One of the conditions for a company to qualify as an investment trust is that it is not a "close company" for UK tax purposes. The Directors consider that the Company is not a close company as at the date of this Prospectus and should not be immediately following Admission.

In respect of each accounting period for which the Company is approved by HMRC as an investment trust, the Company will be exempt from UK taxation on its chargeable gains.

The Company will, however, (subject to the following) be liable to pay UK corporation tax on its income in the normal way. Income and gains arising from overseas investments may be subject to foreign withholding taxes (or foreign capital gains taxes) at varying rates, but double taxation relief may be available. The Company should in practice be exempt from UK corporation tax on dividend income received, provided that such dividends (whether from UK or non UK companies) fall within one of the "exempt classes" in Part 9A of the Corporation Tax Act 2009.

An investment trust approved under section 1158 and 1159 of Chapter 4 of Part 24 of the Corporation Tax Act is able to elect to take advantage of modified UK tax treatment in respect of its "qualifying interest income" for an accounting period (referred to here as the "streaming" regime). The Company may, if it so chooses, designate as an "interest distribution" all or part of the amount it distributes to Shareholders as dividends out of distributable profits realised in the accounting period, to the extent that it has "qualifying interest income" for that accounting period. Were the Company to designate any dividend it pays in this manner, it should be able to deduct such interest distributions from its taxable income in calculating its taxable profit for the relevant accounting period.

3. SHAREHOLDERS

3.1. Taxation of capital gains

A disposal of Shares (including a disposal on a winding up of the Company) by an individual Shareholder who is resident in the UK for tax purposes, or a disposal by a non-UK resident individual who carries on a trade in the UK through a branch, agency or permanent establishment in connection with which their investment in the Company is used, held or acquired, may give rise to a chargeable gain or an allowable loss for the purposes of UK taxation of chargeable gains, depending on the individual Shareholder's circumstances and subject to any available exemption or relief.

UK-resident and domiciled individual Shareholders have an annual exemption (the "**Annual Exempt Amount**"), such that UK capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The Annual Exempt Amount is £6,000 for the tax year 2023/24. For such individual Shareholders, UK capital gains tax will be chargeable on a disposal of Shares at the applicable rate (currently 10 per cent. (to the extent that the gains fall within a taxpayer's basic rate band after income has been accounted for), or 20 per cent. (to the extent that the gains fall within a taxpayer's higher or additional rate bands)). Shareholders should note that changes to Income Tax rates and bands came into force in England and Wales on 6 April 2023. Taxable income of up to £50,270 is charged at a basic rate of 20 per cent., taxable income in the £50,271 to £125,140 bracket is charged at a higher rate of 40 per cent. and taxable income over £125,140 is charged at an additional rate of 45 per cent. This is subject to a personal allowance of up to £12,570 for taxable income under £125,140.

Generally, an individual Shareholder who has ceased to be resident in the UK for tax purposes for a period of five years or less and who disposes of Shares during that period may be liable, on their return to the UK, to UK taxation on any chargeable gain realised (subject to any available exemption or relief) under anti-avoidance legislation relating to temporary non-residents. Special rules apply to individual Shareholders who are subject to tax on a "split-year" basis, and they should seek specific tax advice if they are in any doubt about their position.

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to UK corporation tax at the rate of corporation tax applicable to that Shareholder (currently at a main rate of 25 per cent. for those companies with profits over and above £250,000 and at a small profits rate of 19 per cent. for those companies with profits under £50,000, with marginal relief for profits between £50,000 and £250,000) on chargeable gains arising on a disposal of their Shares.

Individual and corporate Shareholders who are neither resident in the UK, nor temporarily non-resident for the purposes of the anti-avoidance legislation referred to above, and who do not carry on a trade in the UK through a branch, agency or permanent establishment with which their investment in the Company is connected, should not be subject to United Kingdom taxation on chargeable gains on a disposal of their Shares, although such Shareholders may be subject to taxation in their own jurisdiction.

3.2. Taxation of dividends

Individuals

The following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends from the Company. The statements in the following three paragraphs apply in respect of dividends to which the "streaming" regime does not apply.

UK resident individuals are entitled to a nil rate of income tax on the first £1,000 of dividend income for the tax year 2023/24 (the "**Nil Rate Amount**"). Any dividend income received by a UK resident individual Shareholder in respect of the Shares in excess of the Nil Rate Amount will be subject to income tax at a rate of 8.75 per cent. where such a Shareholder is a basic rate taxpayer; 33.75 per cent. where such a Shareholder is a higher rate taxpayer; and 39.35 per cent. where such a Shareholder is an additional rate taxpayer. For Scottish taxpayers, references to income tax that would otherwise be charged at the basic rate, higher rate and additional rate are to be read as if the individual was not a Scottish taxpayer. Shareholders should note that changes to Income Tax rates and bands came into force in England and Wales on 6 April 2023. Taxable income of up to £50,270 is charged at a basic rate of 20 per cent., taxable income in the £50,271 to £125,140 bracket is charged at a higher rate of 40 per cent. and taxable income over £125,140

is charged at an additional rate of 45 per cent. This is subject to a personal allowance of up to £12,570 for taxable income under £125,140.

Dividend income that is within the Nil Rate Amount counts towards an individual's basic or higher rate limits and will therefore affect the level of savings allowance to which they are entitled, and the rate of tax that is due on any dividend income in excess of the Nil Rate Amount. In calculating into which tax band any dividend income over the Nil Rate Amount falls, savings and dividend income are treated as the highest part of an individual's income. Where an individual has both savings and dividend income, the dividend income is treated as the top slice.

The Company will not be required to withhold tax at source when paying a dividend to individuals (including such part of any dividend as may be designated an interest distribution as described above).

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the "streaming" regime, then the corresponding dividends paid by the Company will be taxed as interest income in the hands of UK resident individual shareholders. To the extent the Shareholder is within the basic rate band, interest received in excess of the savings allowance of £1,000 will be taxed at 20 per cent. To the extent the Shareholder is within the higher rate band, interest received in excess of the savings allowance of £500 will be taxed at 40 per cent. To the extent the Shareholder is within the additional rate band, interest received will be taxed at 45 per cent. The tax free savings allowance is not available for additional rate taxpayers.

Corporations

The statements in the following two paragraphs apply in respect of dividends to which the "streaming" regime does not apply.

A corporate Shareholder who is tax resident in the UK or carries on a trade in the UK through a permanent establishment in connection with which its Shares are held will be subject to UK corporation tax on the gross amount of any dividends paid by the Company, unless the dividend falls within one of the exempt classes set out in Part 9A of the Corporation Tax Act 2009.

It is anticipated that dividends paid on the Shares to UK tax resident corporate Shareholders would generally (subject to anti-avoidance rules) fall within one of those exempt classes. However, such Shareholders are advised to consult their tax advisers to determine whether such dividends will be subject to UK corporation tax. If the dividends do not fall within any of the exempt classes, the dividends will be subject to UK corporation tax currently at a main rate of 25 per cent. for those companies with profits over and above £250,000 and at a small profits rate of 19 per cent. for those companies with profits under £50,000, with marginal relief for profits between £50,000 and £250,000.

To the extent that an election is made by the Company to designate part or all of its dividends as an interest distribution in respect of an accounting period under the "streaming" regime, then the corresponding dividends paid by the Company will be taxed according to the loan relationship rules in the hands of UK resident corporate Shareholders and subject to UK corporation tax currently at a main rate of 25 per cent. for those companies with profits over and above £250,000 and at a small profits rate of 19 per cent. for those companies with profits under £50,000, with marginal relief for profits between £50,000 and £250,000.

The Company will not be required to withhold tax at source when paying a dividend to corporations (including such part of any dividend as may be designated an interest distribution as described above).

4. STAMP DUTY AND SDRT

4.1. Issue of New Shares pursuant to the Issue

The issue of New Shares pursuant to the Issue should not give rise to any stamp duty or SDRT.

4.2. Subsequent transfers

Subsequent transfers of New Shares held in certificated form will generally be subject to UK stamp duty at the rate of 0.5 per cent. of the amount or value of the consideration given for the transfer (rounded up to the nearest £5.00). However, an exemption from stamp duty will be available on an

instrument transferring New Shares where the amount or value of the consideration is £1,000 or less and it is certified on the instrument that the transaction effected by the instrument does not form part of a larger transaction or series of transactions for which the aggregate consideration exceeds £1,000. The purchaser normally pays the stamp duty.

An unconditional agreement to transfer New Shares will normally give rise to a charge to SDRT at the rate of 0.5 per cent. of the amount or value of the consideration payable for the transfer. However, if a duly stamped or exempt transfer in respect of the agreement is produced within six years of the date on which the agreement is made (or, if the agreement is conditional, the date on which the agreement becomes unconditional) any SDRT paid is repayable, generally with interest, and otherwise the SDRT charge is cancelled. SDRT is, in general, payable by the purchaser.

Paperless transfers of New Shares within the CREST system will generally be liable to SDRT, rather than stamp duty, at the rate of 0.5 per cent. of the amount or value of the consideration payable. CREST is obliged to collect SDRT on relevant transactions settled within the CREST system (but in practice the cost will be passed on to the purchaser). Deposits of New Shares into CREST will not generally be subject to SDRT, unless the transfer into CREST is itself for consideration in the form of money or money's worth.

In certain circumstances, the transfer of New Shares will be chargeable to stamp duty or SDRT on the value of the New Shares transferred, rather than the amount or value of the consideration given.

5. ISAS

Shares acquired by a UK resident individual Shareholder may be eligible to be held in a stocks and shares ISA, subject to applicable annual subscription limits (£20,000 in the tax year 2023/2024). Investments held in ISAs will be free of UK tax on both capital gains and income. The opportunity to invest in shares through an ISA is restricted to certain UK resident individuals aged 18 or over. Junior ISAs are available to children under the age of 18 who are resident in the UK subject to the annual allowance of £9,000 for the 2023/24 tax year.

Individuals wishing to invest in New Shares through an ISA should contact their professional advisers regarding their eligibility.

6. INFORMATION REPORTING

The UK has entered into a number of international arrangements which provide for the exchange of information in order to combat tax evasion and improve tax compliance. These include, but are not limited to, FATCA, the Common Reporting Standard, the EU Directive on Administrative Cooperation in Tax Matters, and a number of other arrangements with particular jurisdictions.

In connection with such international agreements and obligations (and UK regulations implementing the same) the Company may, amongst other things, be required to collect and report to HMRC certain information regarding Shareholders and other account holders of the Company and HMRC may pass this information on to tax authorities in other jurisdictions in accordance with such UK regulations and relevant international agreements and obligations.

7. PREVENTION OF THE CRIMINAL FACILITATION OF TAX EVASION

Two United Kingdom corporate criminal offences for failure to prevent the facilitation of tax evasion created by the Criminal Finances Act 2017 impose criminal liability on a company or a partnership (a "**relevant body**") if it fails to prevent the criminal facilitation of tax evasion by a person "when acting in the capacity of a person associated" with the relevant body. There is a defence to the charge if the relevant body can show that it had in place reasonable "prevention procedures" at the time the facilitation took place. In order to comply with the Criminal Finances Act 2017, the Company, the AIFM and the Investment Manager may require additional information from Shareholders or prospective investors in the Company regarding their tax affairs.

PART 7

GENERAL INFORMATION

1. THE COMPANY

- 1.1. The Company was incorporated in Scotland on 12 August 1987 with registered number SC106049 as a public company limited by shares under the Companies Act 1985. The Company is registered as an investment company under section 833 of the Companies Act. The Company's LEI is 549300W4KB0D75D1N730.
- 1.2. The registered office and principal place of business of the Company is 1 George Street, Edinburgh EH2 2LL, with telephone number: 0131 372 2200.
- 1.3. As a listed investment trust, the Company is not regulated as a collective investment scheme by the FCA. However, as a company with its shares admitted to listing on the premium segment of the Official List and to trading on the Main Market, it is subject to the Prospectus Regulation Rules, the Listing Rules, the Disclosure Guidance and Transparency Rules, the Takeover Code, UK MAR and the rules of the London Stock Exchange. The Company is domiciled in Scotland. The Company is an alternative investment fund pursuant to the UK AIFMD Laws. The principal legislation under which the Company operates is the Companies Act and the regulations made thereunder.
- 1.4. The principal activity of the Company is to invest its assets in accordance with the investment objective and policy set out in Part 1 (*The Company*) of this Prospectus. As set out in further detail in paragraph 3 of Part 1 (*The Company*) of this Prospectus, the Company is proposing to adopt a new investment objective and investment policy in connection with the Scheme.
- 1.5. The Company does not have a fixed life, but Shareholders are given the opportunity to vote on the continuation of the Company at every fifth Annual General Meeting (the "**Continuation Vote**"), with the next Continuation Vote to be put forward at the Annual General Meeting in December 2026
- 1.6. At the Annual General Meeting held in 2021, Shareholders voted in favour of the introduction of a performance-related conditional tender offer (the "**Conditional Tender Offer**"), which will take place every five years. At the time of the vote, the Board advised that the size of any Conditional Tender Offer will be set by the Board up to a maximum of 25 per cent. of the prevailing issued share capital of the Company. The first performance period runs from 1 September 2021 to 31 August 2026. In the light of the Proposals and the expected increase in the size of the Company, and conditional on the Scheme being implemented, the Board has resolved that, in the event the Company underperforms the Benchmark over the current performance period and a Conditional Tender Offer is triggered, the Company will offer Shareholders the opportunity to tender up to 15 per cent. of the issued share capital (excluding treasury shares) of the Enlarged Company under such Conditional Tender Offer. The size of any Conditional Tender Offer resulting from any future performance period after August 2026 will be subject to the original maximum of 25 per cent. of the prevailing issued share capital of the Company (excluding treasury shares).
- 1.7. The Company's accounting period ends on 31 August of each year. The Company's latest financial statements for the year ended 31 August 2022 were published on 31 October 2022 and the Company's latest unaudited financial statements for the six months ended 28 February 2023 were published on 26 April 2023.
- 1.8. PwC is the statutory auditor of the Company. PwC is a member of the Institute of Chartered Accountants in England and Wales.
- 1.9. The Company has no employees and its day-to-day activities are delegated to third parties.

1.10. The Company intends at all times to conduct its affairs so as to enable it to qualify as an investment trust for the purposes of section 1158 of the Corporation Tax Act and the Investment Trust (Approved Company) (Tax) Regulations 2011. In summary, the key conditions that must be met for approval by HMRC for any given accounting period as an investment trust are that:

1.10.1. all, or substantially all, of the business of the Company is investing its funds in shares, land or other assets with the aim of spreading investment risk and giving members the benefit of the results of the management of its funds;

1.10.2. the Company is not a close company at any time during the accounting period for which approval is sought;

1.10.3. the Company is resident in the UK throughout that accounting period;

1.10.4. the Company's ordinary share capital is admitted to trading on a regulated market (as defined in FSMA) throughout the accounting period;

1.10.5. the company is not a venture capital trust or a real estate investment trust; and

1.10.6. the Company must not retain in respect of the accounting period an amount greater than the higher of: (i) 15 per cent. of its income for the period; and (ii) the amount of any income which the Company is required to retain in respect of the period by virtue of a restriction imposed by law. However, where the Company has relevant accumulated losses brought forward from previous accounting periods of an amount equal to or greater than the higher of the amounts mentioned in (i) and (ii) above, the Company may retain an amount equal to the amount of such losses.

2. THE AIFM AND THE INVESTMENT MANAGER

2.1. abrDN Fund Managers Limited, a private limited company incorporated in England and Wales under the Companies Acts, 1948 to 1967 with registered number 00740118, is the Company's AIFM. The AIFM is authorised and regulated by the FCA. The registered office of the AIFM is at 280 Bishopsgate, London EC2M 4AG and its telephone number is 0131 372 2200.

2.2. abrDN Asia Limited, a private limited company based in Singapore is the Company's Investment Manager. The Investment Manager is a Singaporean company and is a wholly owned subsidiary of abrDN plc. The registered office of the Investment Manager is at Marina One East Tower, 7 Straits View, #23-04, Singapore 018936 and its telephone number is +65 6395 2700.

3. THE DEPOSITARY

BNP Paribas Trust Corporation UK Limited has been appointed as depositary of the Company pursuant to the Depositary Agreement (further details of which are set out in paragraph 11 of this Part 7). The Depositary is a private limited company incorporated in England and Wales under the Companies Act 1985 with company number 04042668. It is authorised and regulated by the FCA. The registered office of the Depositary is at 10 Harewood Avenue, London NW1 6AA and its telephone number is 020 7595 2000. The Depositary's LEI is 213800KT15HFNQBALZ91.

4. SHARE CAPITAL

- 4.1. The ISIN of the Shares is GB0002945029, the SEDOL of the Shares is 0294502 and the ticker code is DGN.
- 4.2. Set out below is the issued share capital of the Company (excluding Shares held in treasury): (a) as at the date of this Prospectus; and (b) immediately following the Issue (assuming that 52,752,659 New Shares are issued (such number being based on the illustration provided in paragraph 3 of Part 4 (*Details of the Scheme and the Issue*) of this Prospectus)). All New Shares issued pursuant to the Issue will be fully paid on Admission.

	As at the date of this Prospectus		Immediately following the Issue	
	Number	Aggregate nominal value (£)	Number	Aggregate nominal value (£)
Shares	113,425,040	22,685,008	166,177,699	33,235,540

- 4.3. As at 19 September 2023 the Company held 46,186,637 Shares in treasury.
- 4.4. The Shares are admitted to the premium segment of the Official List and to trading on the Main Market. The Company has no authorised share capital.
- 4.5. In addition to the ordinary business of the Company, resolutions were passed at the AGM held on 9 December 2022 as follows:
- 4.5.1. in substitution for any pre-existing power to allot or grant rights to subscribe for or to convert any security into Shares in the Company, the Directors were generally and unconditionally authorised in accordance with Section 551 of the Companies Act to exercise all the powers of the Company to allot Shares in the Company (for the purposes of this paragraph 4.5.1, “**Securities**”) up to an aggregate nominal amount of £7.86 million or, if less, the number representing 33.3 per cent. of the Company’s issued Share capital as at 9 December 2022 during the period expiring on 29 February 2024 or, if earlier, at the conclusion of the next Annual General Meeting, unless previously revoked, varied or extended by the Company in general meeting, save that the Company be allowed, at any time prior to the expiry of the authority, to make an offer or enter into an agreement which would or might require relevant Securities to be allotted after the expiry of such authority, and the Directors may allot relevant Securities in pursuance of such an offer or agreement as if such authority had not expired;
- 4.5.2. in substitution for any existing power under Sections 570 and 573 of the Companies Act, the Directors were generally empowered, pursuant to Sections 570 and 573 of the Companies Act, to allot equity securities (as defined in Section 560 of the Companies Act) for cash pursuant to the authority referred to in paragraph 4.5.1. above, or to sell treasury shares (within the meaning of Section 560 (3) of the Companies Act) as if Section 561 of the Companies Act did not apply to any such allotment or sale, provided that this power:
- (a) be limited to the allotment of equity securities or the sale of treasury shares up to an aggregate nominal amount of £1.19 million or, if less, the number representing 5 per cent. of the Company’s issued Share capital as at 9 December 2022;
- (b) expires on 29 February 2024 or, if earlier, at the conclusion of the next Annual General Meeting unless previously revoked, varied or extended by the Company in general meeting, save that the Company may, before such expiry, make an offer or agreement which would or might require equity securities or sell treasury shares to be allotted or treasury shares to be sold after such expiry and the Directors may allot equity securities or sell treasury shares pursuant to any such offer or agreement as if the power so conferred had not expired; and

- 4.5.3. in substitution for any existing authority under Section 701 of the Companies Act, the Company was generally and unconditionally authorised, in accordance with Section 701 of the Companies Act, to make market purchases (within the meaning of Section 693(4) of the Companies Act) of fully paid Shares and to cancel or hold in treasury such Shares, provided that:
- (a) the maximum aggregate number of Shares authorised to be purchased is 17,800,000 Shares or, if less, the number representing 14.99 per cent. of the issued Share capital of the Company as at 9 December 2022;
 - (b) the minimum price (exclusive of expenses) which may be paid for a Share is 20 pence;
 - (c) the maximum price (exclusive of expenses) which may be paid for a Share shall be an amount being not more than the higher of: (i) 105 per cent. of the average of the middle market quotations (as derived from the Daily Official List of the London Stock Exchange) for the Shares for the five Business Days immediately preceding the date of purchase; and (ii) the higher of the price of the last independent trade and the highest current independent bid relating to a Share on the trading venue where the purchase is carried out; and
 - (d) unless previously varied, revoked or renewed, the authority so conferred shall expire on 29 February 2024 or, if earlier, at the conclusion of the next Annual General Meeting, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase Shares under such authority which would or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract or contracts as if the authority so conferred had not expired.
- 4.6. At the General Meeting, the Directors will seek Shareholder authority to allot New Shares up to an aggregate nominal amount of £15,000,000 in connection with the Scheme and the Issue (such authority to expire on 31 December 2023). Such authority will be in addition to the authority referred to in paragraph 4.5.1 above.
- 4.7. The provisions of section 561 of the Companies Act which, to the extent not disapplied pursuant to section 570 or section 573 of the Companies Act, confer on Shareholders rights of pre-emption in respect of the allotment or sale of equity securities for cash and shall apply to any unissued Share capital of the Company, except to the extent disapplied by the authority referred to in paragraph 4.5.2 above.
- 4.8. The New Shares will be in registered form and, from Admission, will be capable of being held in uncertificated form and title to such Shares may be transferred by means of a relevant system (as defined in the CREST Regulations). Where the Shares are held in certificated form, share certificates will be sent to the registered members or their nominated agent (at their own risk) within 10 days of the completion of the registration process or transfer of the Shares, as the case may be. Where Shares are held in CREST, the relevant CREST stock account of the registered members will be credited. The Registrar maintains a register of Shareholders holding their Shares in CREST.
- 4.9. Save as disclosed in this Prospectus, as at 19 September 2023, no share or loan capital of the Company:
- 4.9.1. has been issued or agreed to be issued, or is now proposed to be issued, either for cash or any other consideration and no commissions, discounts, brokerages or other special terms have been granted by the Company in connection with the issue or sale of any such capital; or
 - 4.9.2. is under option or has been agreed conditionally or unconditionally to be put under option.
- 4.10. All New Shares will be fully paid on Admission. Subject as provided elsewhere in this Prospectus and in the Articles, Shares are freely transferable.

5. ARTICLES OF ASSOCIATION

The Company's existing Articles were adopted on 10 December 2020. Whilst not a requirement or condition of the Scheme, the Board is proposing to amend the Company's existing Articles in order to provide the Directors with the power to, *inter alia*, (i) request certain information from Shareholders, (ii) refuse to register a transfer of shares in the Company; and (iii) require the transfer of shares to an eligible transferee, in circumstances where the Directors believe a failure to do so may result in a breach of, or give rise to onerous obligations on the Company under, certain US securities laws (as further described in this paragraph 5). A resolution to implement these amendments (through the adoption of the Revised Articles) will be proposed at the General Meeting.

The Company's Articles contain (and, where relevant, will contain if the Revised Articles are adopted at the General Meeting), *inter alia*, provisions to the following effect:

5.1. Summary of the current and proposed share rights in the Articles

5.1.1. *Issue of shares*

The Company may increase its share capital by the allotment and issue of new shares in the Company subject to and in accordance with the provisions of the Companies Act and the Articles.

Without prejudice to any special rights conferred on the holders of any shares or class of shares, the Company may by ordinary resolution (provided such resolution is passed before the shares are allotted) determine that any shares are allotted with special rights, privileges or restrictions.

5.1.2. *Variation of rights*

Whenever the share capital of the Company is divided into different classes of shares, all or any of the special rights attached to any class may, subject to the provisions of the Companies Act and unless otherwise expressly provided by the rights attached to the shares of that class, be varied or abrogated either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of that class (excluding any shares of that class held as treasury shares) or with the sanction of a special resolution passed at a separate general meeting of the holders of the shares of that class (excluding any shares of that class held in treasury) but not otherwise and may be so varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding up.

At every such separate general meeting the necessary quorum shall be two persons entitled to vote and holding or representing by proxy at least one-third in nominal value of the issued shares of the class in question (excluding any shares of that class held as treasury shares), except that at any adjourned meeting any holder of shares of the class present in person or by proxy shall be a quorum. At such separate general meeting, any holder of shares of the class present in person or by proxy may demand a poll and every such holder shall on a poll have one vote for every share of that class held by them. The foregoing provisions shall apply to the variation or abrogation of any special rights which only attach to some of the shares of any class as if the shares concerned and the remaining shares of such class formed separate classes.

5.1.3. *Redemption of shares*

Subject to the provisions of and powers conferred by the Companies Act and to any rights previously conferred on the holders of any other shares the Board is authorised to determine the terms, conditions and manner of redemption of any redeemable shares.

5.1.4. *Dividends*

The Company may by ordinary resolution declare dividends but no dividend shall exceed the amount recommended by the Directors. The Directors may pay interim dividends of such amounts and at such dates as they think fit, or fixed dividends on any class of share carrying a fixed dividend expressed to be payable on fixed dates on the relevant dates prescribed for payment, if it appears to the Directors that such payments are justified by the profits of the Company. If the Directors act in good faith, they shall not incur any liability to the holders of

shares conferring deferred or preferred rights for any loss they may suffer by the lawful payment of an interim or fixed dividend on any shares having deferred or non-preferred rights.

Unless and to the extent that the rights attached to any shares or terms of issue of any shares otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned *pro rata* according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of Article 124, no amount paid on a share in advance of calls shall be treated as paid on the share.

Unless the terms of issue of a share otherwise provide, dividends may be paid or declared in any currency. The Directors may agree with a holder of shares: (i) that dividends declared or that become due in one currency shall be paid or satisfied in another currency; (ii) the basis of conversion to be applied; (iii) how and when the amount to be paid in the other currency shall be calculated and paid; and (iv) whether the Company or any other person shall bear the costs of conversion.

No dividend or other money payable on or in respect of a share carries a right to interest from the Company.

5.1.5. *Distribution of assets on a winding up*

If the Company is wound up, the liquidator may, with the sanction of a special resolution and any other sanction required by law, divide among the Shareholders, *in specie*, the whole or any part of the assets of the Company and may, for that purpose, value any assets and determine how the division shall be carried out as between the Shareholders or different classes of members.

5.1.6. *Reserves*

The Board may set aside out of the profits of the Company and carry to reserves such sums as the Board may decide which may, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested.

The Board may divide the reserves into such special funds as it decides and may consolidate into one fund any special funds or any parts of any special funds into which the reserves may have been divided. The Board may also carry forward any profits without carrying them to reserve. In carrying sums to reserves and in applying the same the Board shall comply with the provisions of the Companies Act.

5.1.7. *Voting rights*

The rights of members and their proxies to votes shall be determined in accordance with the Companies Act. A proxy must vote in accordance with any instructions given by its appointor. Subject to this, a proxy may vote or abstain at their discretion on any resolution put to the vote at a general meeting.

No member is entitled to vote in respect of any share held by the member either in person or by proxy at any general or class meeting or to exercise any other right conferred by membership in relation to general meetings whilst any call or other sum payable by the member in respect of that share remains unpaid.

5.1.8. *Transfer of shares*

A transfer of a certificated share must be made in writing, in the usual standard form or in any other form approved by the Directors, and delivered to the registered office together with the share certificate (or an indemnity in a form satisfactory to the Directors) and such further evidence as the Directors may require to prove title. The document of transfer must be executed by or on behalf of the person selling the share and, if the share is not fully paid, by or on behalf of the buyer of the share. A transfer of an uncertificated share must be made through Euroclear in accordance with the CREST Regulations. The transferor of a share shall be deemed to remain the holder of that share until the name of the transferee is entered into the register of members of the Company in respect of it.

Subject to the Companies Act, the Board can decline to register any transfer of any certificated share which is not a fully paid share, provided that, where any such share is admitted to the Official List maintained by the Financial Conduct Authority, such discretion may not be exercised in such a way as to prevent dealings in partly paid shares from taking place on an open and proper basis.

The Board may also refuse to register the transfer of any certificated share if: (i) a notice has been served in respect of a share pursuant to section 793 of the Companies Act 2006 or any other provision of the Companies Act concerning the disclosure of interests in voting shares and the share(s) comprising the subject of that notice represent in aggregate at least 0.25 per cent. of that class of shares (calculated exclusive of any treasury shares of that class) and the person on whom the notice was served has failed to comply with the notice within the date specified in it (being not less than 14 clear days from the date of the service of the notice), unless the transfer is to a *bona fide* unconnected third party such as a sale through a recognised investment exchange or and overseas exchange or as a result of an acceptance of a takeover offer; or (ii) the transfer is in favour of more than four persons jointly.

In addition, in order to avoid the Company breaching or incurring potentially onerous obligations under certain US securities laws (including ERISA), if the Revised Articles are approved at the General Meeting the Board will have power to impose such restrictions as it may think necessary for the purpose of ensuring that no shares in the Company are acquired or held by, or transferred to, any Non-Qualified Holder (as defined and further discussed in paragraph 5.1.10 below), including a power to refuse to register a transfer of shares if the transfer is in favour of any Non-Qualified Holder.

In addition, the Board may refuse to recognise any instrument of transfer relating to certificated shares unless it is: (i) delivered stamped (or certified to be exempt from stamp duty) to the registered office of the Company or such other place as the Directors may decide ; (ii) in respect of only one class of share; and (iii) accompanied by the share certificate (or an indemnity in a form satisfactory to the Directors) and such further evidence as the Directors may require to prove title.

The Board may decline to register a transfer of an uncertificated share in the circumstances set out in the CREST Regulations.

The renunciation of the allotment of any shares by the allottee in favour of some other person shall be deemed to be a transfer and the Board shall have the same powers of refusing to give effect to such a renunciation as if it were a transfer.

No fee shall be charged by the Company for registering any instrument of transfer or other document relating to or affecting the title to any shares or for making any other entry in the register of members of the Company.

5.1.9. Restrictions on rights: failure to respond to a section 793 notice

When a person is given a section 793 notice and is in default for a period of fourteen days in supplying the Company with the information requested in the section 793 notice or makes a statement in their response that (in the reasonable opinion of the Directors) is false, misleading or inadequate in any material way, the Company may decide to restrict the rights relating to the identified shares and give a notice to the relevant member in whose name the identified shares are registered. The restriction notice shall take effect when it is received (or deemed to be received in accordance with the provisions of the Articles). The restriction notice shall state that the identified shares no longer give the member any right to attend or vote either personally or by proxy at a general meeting or to exercise any other right in relation to general meetings and, where those shares represent at least 0.25 per cent. of their class (excluding treasury shares), the Directors may withhold all or any part of a dividend payable in respect of those shares and may also refuse to register a transfer of the shares unless the Directors are satisfied that they have been sold outright to an independent third party.

5.1.10. Restrictions on rights: ERISA and other US securities laws matters

In order to avoid the Company breaching or incurring potentially onerous obligations under certain US securities laws (including ERISA), if the Revised Articles are approved at the General Meeting the Board will have power to impose such restrictions as it may think

necessary for the purpose of ensuring that no shares in the Company are acquired or held by, or transferred to (including a power to refuse to register a transfer of shares if the transfer is in favour of), any person to whom a sale or transfer of shares in the Company, or whose direct, indirect or beneficial ownership of shares, would or might (in the determination of the Directors) have any of the following effects (any such person being a “**Non-Qualified Holder**”):

- (i) cause the Company to be required to register as an “investment company” under the US Investment Company Act (including because the holder of the shares is not a “qualified purchaser” as defined in that Act) or to lose an exemption or status thereunder to which it might otherwise be entitled; or
- (ii) cause the Company to have to register or qualify itself or any of the shares in the Company under the US Securities Act or the US Exchange Act or any similar legislation, or with any securities regulatory authority or any state or other jurisdiction of the United States; or
- (iii) cause any of the Company’s appointed investment managers or investment advisers to have to register as an “investment adviser” under the US Investment Advisers Act of 1940, as amended, or any similar legislation; or
- (iv) cause the Company not to be considered a “foreign private issuer” as such term is defined in rule 3b-4(c) under the US Exchange Act; or
- (v) result in any shares in the Company being owned, directly or indirectly, by Benefit Plan Investors or Controlling Persons (as such terms are defined in the Revised Articles) other than where such shares are acquired with the written consent of the Company; or
- (vi) cause the assets of the Company to be considered “plan assets” under the plan asset regulations promulgated by the United States Department of Labor as modified by ERISA; or
- (vii) cause the Company to be a “controlled foreign corporation” for the purposes of the US Tax Code; or
- (viii) result in shares in the Company being owned by a person whose giving, or deemed giving, of the representations as to ERISA and other matters set forth in the Revised Articles is or is subsequently shown to be false or misleading; and/or
- (ix) cause the Company to be in violation of the US Investment Company Act, the US Exchange Act, ERISA, the US Tax Code or any applicable federal, state, local, non-US or other laws or regulations that are substantially similar to section 406 of ERISA or Section 4975 of the US Tax Code.

In addition, if the Revised Articles are approved at the General Meeting, the Board will have the power to give notice in writing to any holder requiring them, within such period as may be specified in the notice, to deliver to the Company such information, evidence, certificates and statutory declaration as to their place of residence, citizenship or domicile and any such other information as the Board may require to establish that such person is not a Non-Qualified Holder or is otherwise qualified to hold shares in the Company. If such information, evidence, certificates and/or statutory declaration are not delivered to the Company within the specified period, or if it comes to the notice of the Board that any shares in the Company are owned directly, indirectly or beneficially by any Non-Qualified Holder, the Directors may, under the Revised Articles (if adopted), serve a notice upon the relevant shareholder requiring them to transfer their shares to an eligible transferee within 14 days of such notice; and if the obligation to transfer is not met, the Company may compulsorily transfer the shares in a manner consistent with the restrictions set forth in the Revised Articles. Pending such transfer the Board may, in its discretion, direct that in respect of such shares the member shall not be entitled to attend or to vote (either personally or by proxy) at a general meeting of the Company or to exercise any other rights conferred by membership in relation to general meetings of the Company, and no payment shall be made of any sums due from the Company on such shares, whether in respect of capital or dividend or otherwise.

5.1.11. *Untraced Shareholders*

Subject to various notice requirements, the Company may sell any of a Shareholder's shares if, during a period of 12 years from the date of publication of two newspaper advertisements, at least three dividends on such shares have become payable and no cheque for amounts payable in respect of such shares has been presented and no warrant has been effected and no communication has been received by the Company from the Shareholder or person concerned.

5.1.12. *General meetings*

An Annual General Meeting shall be called by written notice of at least 21 clear days. Any other general meeting shall be called by written notice of at least 21 clear days. A general meeting may be called by shorter notice than specified above if the conditions set out in the Companies have been satisfied. The Company may determine that only those persons entered on the Register at the close of business on a day determined by the Company, such day being no more than 21 days before the day that notice of the meeting is sent, shall be entitled to receive such notice.

No business, other than the appointment of a chairman of the meeting, shall be transacted at any general meeting unless a quorum is present. Save as otherwise provided by the Articles, two members present in person or by proxy (which shall include by means of an electronic platform and/or at a satellite location, if relevant) and entitled to vote shall be a quorum for all purposes.

A Shareholder is entitled to appoint another person as his/her proxy to exercise all or any of his/her rights to attend and to speak and vote at any general meeting of the Company. A Shareholder may appoint more than one person as its proxy provided that each proxy is appointed to exercise the rights attached to a different share of shares held by the Shareholder. A proxy need not be a member of the Company.

Subject to the Companies Act, any corporation (whether or not a company within the meaning of the Companies Act) which is a member of the Company may, by resolution of its directors or other governing body, authorise a person or persons to act as its representative or representatives at any meeting of the Company. A person authorised by a corporation is entitled to exercise (on behalf of the corporation) the same powers as the corporation could exercise if it were an individual member of the Company. Where more than one person is authorised by the corporation the rights of such representatives to vote shall be determined in accordance with the Companies Act.

The appointment of a proxy shall not preclude a member from attending and voting in person at the meeting or any adjourned meeting.

The appointment of a proxy shall, unless the contrary is stated in it, be valid as well for any adjournment of the meeting as for the meeting to which it relates.

Each Director shall be entitled to attend and speak at any general meeting of the Company.

A poll on a resolution may be demanded at a general meeting before or on the declaration of the result of the show of hands by the chairman or by those members entitled under the Companies Act to demand a poll.

6. THE CITY CODE ON TAKEOVERS AND MERGERS

6.1. Mandatory bid

The Takeover Code applies to the Company. Under Rule 9 of the Takeover Code, if:

- (a) any person acquires, whether by a series of transactions over a period of time or otherwise, an interest in shares which, when taken together with shares in which they and persons acting in concert with them are interested, carry 30 per cent. or more of the voting rights in the Company; or
- (b) any person, together with persons acting in concert with them, is interested in shares which in the aggregate carry not less than 30 per cent. of the voting rights of the Company but does not hold shares carrying more than 50 per cent. of such voting rights and such person, or any person acting in concert with them, acquires an interest

in any other shares which increases the percentage of shares carrying voting rights in which they are interested,

such person would be required (except with the consent of the Panel) to make a cash or cash alternative offer for the outstanding shares at a price not less than the highest price paid for any interests in the shares by them or their concert parties during the previous 12 months. Such an offer must only be conditional on (i) the person having received acceptances in respect of shares which (together with shares already acquired or agreed to be acquired) will result in the person and any person acting in concert with them holding shares carrying more than 50 per cent. of the voting rights, (ii) no reference having been made in respect of the offer to the Competition and Markets Authority by either the first closing date or the date when the offer becomes or is declared unconditional as to acceptances, whichever is the later.

A person not acting, or presumed not to be acting, in concert with any one or more of the directors of a company will not normally incur an obligation to make a mandatory offer under Rule 9 if, as a result of the redemption or repurchase of shares by that company, they come to exceed the percentage limits set out in Rule 9.

The Panel must be consulted in advance in any case where Rule 9 of the Takeover Code might be relevant.

6.2. Compulsory acquisition

Under sections 974 to 991 of the Companies Act, if an offeror acquires or contracts to acquire (pursuant to a takeover offer) not less than 90 per cent. of a class of shares of a company (in value and by voting rights) to which such offer relates it may then compulsorily acquire the outstanding shares of that class held by holders that have not assented to the offer. It would do so by sending a notice to the holders of shares of that class indicating that it is desirous of acquiring such outstanding shares whereupon the offeror will become entitled and bound to acquire such shares. At the end of six weeks from the date of such notice it would execute a transfer of such outstanding shares in its favour and pay the consideration to the company, which would hold the consideration on trust for the holders of such outstanding shares subject to the transfer. The consideration offered to the holders whose outstanding shares are compulsorily acquired under the Companies Act must, in general, be the same as the consideration that was available under the takeover offer.

In addition, pursuant to section 983 of the Companies Act, if an offeror acquires or agrees to acquire not less than 90 per cent. of the shares of a company (in value and by voting rights, pursuant to a takeover offer that relates to all the shares in the company) to which the offer relates, any holder of shares to which the offer relates who has not accepted the offer may require the offeror to acquire their shares on the same terms as the takeover offer ("sell-out rights").

The offeror would be required to give any relevant holder of shares notice of their right to be bought out within one month of that sell-out right arising. Such sell-out rights cannot be exercised after the end of the period of three months from the last date on which the offer can be accepted or, if later, three months from the date on which the notice is served on the holder of shares notifying them of their sell-out rights. If a holder of shares exercises their sell-out rights, the offeror is bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

7. DISCLOSURES UNDER UK MAR

The table below sets out a summary of the information disclosed by the Company under UK MAR over the 12 month period preceding the date of this Prospectus and which is relevant as at the date of this Prospectus.

Date	Title of Announcement	Disclosure
21 July 2023	Proposed combination with abrdn New Dawn Investment Trust plc	Announcement of heads of terms in connection with the Proposals

8. INTERESTS OF DIRECTORS, MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

8.1. Directors' interests

As at 19 September 2023 and following implementation of the Scheme, the interests (all of which are or will be beneficial unless otherwise stated) of the Directors and the Prospective Directors (together with their connected persons) in the issued share capital of the Company are, or are estimated to be, as follows:

Director	Number of Shares as at 19 September 2023	Percentage of issued share capital (%) as at 19 September 2023	Estimated number of Shares following completion of the Issue	Estimated percentage of issued share capital (%) following completion of the Issue*
James Will (Chairman)	10,114	0.01	10,114	0.01
Gaynor Coley	5,000	de minimis	5,000	de minimis
Matthew Dobbs	14,000	0.01	14,000	0.01
Susan Sternglass Noble	7,500	0.01	7,500	de minimis
Charlie Ricketts	5,000	de minimis	5,000	de minimis
Donald Workman	Nil	Nil	16,832	0.01
Stephen Souchon	Nil	Nil	16,832	0.01
Nicole Yuen	Nil	Nil	Nil	Nil

* Assuming the total issued Share capital of the Company following completion of the Issue is 166,177,699 based on the illustrative calculations set out in paragraph 3 of Part 4 of this Prospectus.

As at the date of this Prospectus, save as disclosed above, no Director or Prospective Director has any interest, whether beneficial or non-beneficial, in the Share or loan capital of the Company.

8.2. Directors' contracts with the Company

- 8.2.1. No Director has a service contract with the Company, nor are any such contracts proposed. Each Director has been, and each Prospective Director will be, appointed pursuant to a letter of appointment entered into with the Company.
- 8.2.2. The Directors' appointments can be, and the Prospective Directors' appointments will be capable of being, terminated in accordance with the Articles and without compensation or in accordance with the Companies Act or common law. Pursuant to the Articles, each Director must retire and stand for re-election every three years and each Director, other than the Chairman or any Director holding an executive office, must retire on an annual basis at each Annual General Meeting following the ninth anniversary of the date on which he or she was appointed or elected. Notwithstanding the provisions of the Articles, the Company's policy is that each Director will be subject to annual re-election in accordance with the provisions of the AIC Code.
- 8.2.3. Pursuant to the letters of appointment (and the proposed appointment letters for the Prospective Directors) each Director and Prospective Director may be removed from office on one month's written notice. The Articles provide that the office of Director may be terminated by, among other things: (i) resignation; (ii) unauthorised absences from Board meetings for more than six consecutive months; or (iii) notice in writing signed by all of all the other Directors stating that the Director shall cease to be a director of the Company with effect from receipt of such notice.
- 8.2.4. As at the date of this Prospectus, James Will, as Chairman, is entitled to receive £45,000 per annum, Gaynor Coley, as chair of the Audit and Risk Committee, is entitled to receive £37,750 per annum, Charlie Ricketts, as Senior Independent Director, is entitled to receive £33,600 per annum, and all other Directors are entitled to receive

£32,000 per annum for their services as Directors of the Company. The Prospective Directors are expected to be remunerated on similar terms to the existing Directors.

8.2.5. No amounts have been set aside or accrued by the Company to provide pension, retirement or similar benefits for the Directors.

8.3. Directors' other interests

8.3.1. As at the date of this Prospectus, the Directors and Prospective Directors are, or have been during the five years preceding the date of this Prospectus, a director, member of the administrative, management or supervisory body or partner of the following companies and partnerships (other than the Company):

	Current directorships/partnerships	Past directorships/partnerships
James Will (Chairman)	Herald Investment Trust Plc	JPMorgan Global Growth & Income PLC Myreside Willow Limited S.I.T. Savings Limited The Scottish Investment Trust plc
Gaynor Coley	Coley Hill Developments Ltd Foresight Enterprise VCT plc How 2 (Cornwall) Limited Lowland Investment Company plc Secured Income Fund plc The Road to Happiness Limited	The Wave Group Limited
Matthew Dobbs	47 Linden Gardens (Management) Ltd European Opportunities Trust plc Slightly Foxed Limited The Kilroot Foundation The Tew and Heythrop Churches Trust Tonbridge School Tonbridge Services Limited	Korea-Europe Fund Limited (The) Schroder Pension Trustee Limited
Susan Sternglass Noble	Unity Trust Bank plc The Fulbright Foundation (Trustee) Ltd The US-UK Fulbright Commission	Link Age Southwark
Charlie Ricketts	Carefreespace Medway Films LLP Mole Films LLP Templeton Emerging Markets Investment Trust PLC	Cabot Square Alternatives plc (<i>dissolved</i>) Crix Capital Limited (<i>dissolved</i>) Privatus Club Limited (<i>dissolved</i>) The Invicta Film Partnership No.23, LLP (<i>dissolved</i>)
Donald Workman	abrdn New Dawn Investment Trust plc Concern Worldwide JCB Finance Ltd Kintail Trustees Limited	JCB Finance (Leasing) Ltd (<i>dissolved</i>) Landpower Leasing Limited (<i>dissolved</i>)
Stephen Souchon	abrdn New Dawn Investment Trust plc SMBC Nikko Capital Markets Limited TD Bank Europe Limited	Open Age
Nicole Yuen	abrdn New Dawn Investment Trust plc Interactive Brokers Group, Inc	n/a

8.3.2. As at the date of this Prospectus there are no potential conflicts of interest between any of the Directors' or the Prospective Directors' duties to the Company and their private interests and/or other duties.

8.3.3. There are no lock-up provisions regarding the disposal by any of the Directors or Prospective Directors of any Shares.

8.3.1. Save as disclosed in this Prospectus, in the five years before the date of this Prospectus, the Directors and the Prospective Directors:

- (a) do not have any convictions in relation to fraudulent offences;
- (b) have not been associated with any bankruptcies, receiverships or liquidations of any partnership or company through acting in the capacity as a member of the

administrative, management or supervisory body or as a partner, founder or senior manager of such partnership or company; and

- (c) do not have any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) and have not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of any issuer or from acting in the management or conduct of the affairs of any issuer.

8.3.2. The Company shall maintain directors' and officers' liability insurance on behalf of the Directors and Prospective Directors at the expense of the Company.

8.4. Major Shareholders

8.4.1. As at close of business on 19 September 2023, being the latest practicable date prior to the publication of this Prospectus, other than as set out below, there are no persons known to the Company who, directly or indirectly, are interested in three per cent. or more of the Company's issued Share capital or voting rights.

Shareholder	Number of Shares	Percentage of issued Share capital (%)
City of London Investment Management	34,144,519	30.01
Allspring Global Investments	17,252,523	15.16
Lazard Asset Management	10,506,479	9.23
abrdn Retail Plans	4,311,140	3.79
Rathbones	3,791,711	3.33
Evelyn Partners	3,432,386	3.02

8.4.2. None of the Shareholders has or will have voting rights attached to the Shares held by them which are different from the voting rights attached to any other Shares. So far as is known to the Company, as at the date of this Prospectus, the Company will not, immediately following the Issue, be directly or indirectly owned or controlled by any single person or entity and there are no arrangements known to the Company the operation of which may subsequently result in a change of control of the Company.

8.5. Related party transactions

Save for payment of fees and expenses to the AIFM and its affiliates pursuant to the Management Agreement, which is summarised in paragraph 11 of this Part 7, the Company has not entered into any related party transaction (within the meaning of UK-adopted international accounting standards) at any time during the period from 28 February 2023 to the date of publication of this Prospectus.

8.6. Other material interests

8.6.1. The AIFM and the Investment Manager, any of their respective directors, officers, employees, agents and affiliates and the Directors, and any person or company with whom they are affiliated or by whom they are employed, may be involved in other financial, investment or other professional activities which may cause conflicts of interest with the Company.

8.6.2. In particular, interested parties may provide services similar to those provided to the Company to other entities and shall not be liable to account for any profit from any such services. For example, the AIFM and the Investment Manager, any of their respective directors, officers, employees, agents and affiliates and the Directors and any person or company with whom they are affiliated or by whom they are employed may (subject to any restrictions contained in any relevant management agreement) acquire on behalf of a client an investment in which the Company may also invest.

9. SHARE OPTIONS AND SHARE SCHEME ARRANGEMENTS

No share or loan capital of the Company is under option or agreed conditionally or unconditionally to be put under option.

10. OTHER INVESTMENT RESTRICTIONS

10.1. The Company will at all times invest and manage its assets with the objective of spreading investment risk and in accordance with its published investment policy and the investment restrictions set out therein. The Company's current investment policy is set out in paragraph 3.1 of Part 1 (*The Company*) of this Prospectus.

10.2. In the event of a material breach of the investment policy and/or restrictions applicable to the Company, Shareholders will be informed of the actions to be taken by the Investment Manager via an RIS announcement.

11. MATERIAL CONTRACTS

The following is a summary of each material contract, other than contracts entered into in the ordinary course of business, to which the Company is a party or which contains any provision under which the Company has any obligation or entitlement which is material to it as at the date of this Prospectus.

11.1. Management Agreement

The Company entered into the Management Agreement with the AIFM on 14 July 2014. The Management Agreement was amended by subsequent side letters dated 21 April 2016, 11 November 2017, 12 December 2017 and 30 April 2018. Under the terms of the Management Agreement, the AIFM has been appointed to provide to the Company portfolio and risk management services in accordance with the Company's investment objective and policy, and subject to the overall supervision of the Directors and the investment guidelines laid down by the Board from time to time.

The AIFM is also responsible for the provision of general administrative services to the Company, including but not limited to the provision of company secretarial services. Such services have been sub-delegated by the AIFM to abrdn Holdings Limited.

The AIFM is also responsible for the provision of promotional services to the Company. Such services have been sub-delegated by the AIFM to abrdn Investments Limited.

Pursuant to a delegation agreement between the AIFM and the Investment Manager, the AIFM has delegated the day-to-day management of the Company's portfolio to the Investment Manager. The Investment Manager manages the Portfolio and the Company's investments in accordance with the policies laid down by the Directors from time to time and in accordance with the investment guidelines referred to in the Management Agreement.

The annual management fee payable to the AIFM by the Company is currently 0.85 per cent. on the first £350 million of the Company's NAV, and 0.50 per cent. on NAV in excess of £350 million. For the purposes of calculation of the management fee, the NAV excludes: (i) the value of any investment funds managed by the AIFM; and (ii) 50 per cent. of the value of any investment funds managed or advised by investment managers other than the AIFM. The Company has holdings in Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund, which is managed and administered by abrdn plc. The Company pays a management fee on the value of these holdings but no fee is charged at the underlying fund level. Management fees are calculated and payable quarterly.

The AIFM has agreed that, subject to implementation of the Scheme and with effect from Admission, the management fee payable by the Company will be reduced to 0.75 per cent. on the initial £350 million of NAV, reducing to 0.50 per cent. on NAV in excess of £350 million.

The AIFM has agreed to make a contribution to the costs of the Scheme by means of a reduction in the management fee payable by the Company to AFML. The fee reduction will constitute a waiver of the management fee that would otherwise be payable by the Company to AFML in respect of the assets transferred by New Dawn to the Company pursuant to the Scheme for the first six months following the completion of the Scheme (the "**AFML Contribution**"). The AFML Contribution is subject to the Company not terminating the Management Agreement (other than for

cause as provided for under the Management Agreement) within three years from the Effective Date of the Scheme, failing which the Enlarged Company will be obliged to repay all or part of the AFML Contribution (depending on the point of termination and reducing by one-third on each anniversary of the Effective Date). The AFML Contribution will be for the benefit of the Shareholders of the Enlarged Company following implementation of the Scheme. For the avoidance of doubt, the AFML Contribution will not be taken into account in the calculation of either the DGN FAV per Share or the ABD FAV per Share for the purposes of the Scheme.

The Management Agreement is terminable by:

- (a) the Company on three months' notice;
- (b) the AIFM on six months' notice;
- (c) the Company immediately in the event of certain market standard triggers including (i) certain insolvency events affecting the AIFM, (ii) where the AIFM is found liable for material breach of duty or negligence in connection with the performance of its duties under the Management Agreement, (iii) the AIFM ceasing to maintain relevant regulatory permissions, (iv) a change of control of the AIFM, (v) the AIFM not, in the Board's reasonable opinion, having sufficient number and calibre of employees to enable it to perform its obligations under the Management Agreement and (iv) the gross misconduct, gross negligence, wilful default or fraud of the AIFM, where such act will, in the reasonable opinion of the Board, have a major detrimental effect upon the reputation or standing of the Company; and
- (d) the AIFM immediately in the event of certain market standard triggers including if an order has been made or an effective resolution passed for the winding-up or liquidation of the Company (except a voluntary liquidation for the purpose of reconstruction or amalgamation upon terms previously consented to in writing by the AIFM).

The Management Agreement contains customary indemnities given by the Company in favour of the AIFM.

The Management Agreement is governed by the laws of England and Wales.

11.2. Depositary Agreement

The Depositary Agreement is dated 14 July 2014 and entered into between the Company, the AIFM and BNP Paribas Securities Services, London Branch. BNP Paribas Securities Services, London Branch provided depositary services until the Depositary Agreement was amended and novated to BNP Paribas Trust Corporation UK Limited (the "**Depositary**") pursuant to a novation and amendment agreement dated 4 May 2022. Under the Depositary Agreement the Depositary is appointed to act as custodian and depositary of the Company. The Depositary performs the customary services of a depositary in accordance with the UK AIFMD Laws. The Depositary may delegate its obligations in respect of the safekeeping of the Company's investments to third parties, subject to the UK AIFMD Laws and certain conditions within the Depositary Agreement. The Depositary has delegated the provision of custodian services to BNP Paribas Securities Services, London Branch. The Depositary has not contractually discharged any of its liabilities under the Depositary Agreement in respect of any delegated services.

The Depositary is entitled to receive payment as compensation for the performance of its duties under the Depositary Agreement. The Depositary is also entitled to reimbursement of expenses incurred in the performance of its duties under the Depositary Agreement.

The Depositary Agreement may be terminated by either party on 90 days' prior written notice. The Depositary Agreement may be immediately terminated by either party in certain circumstances such as where either party ceases to be authorised to carry on its relevant regulated activity by the relevant regulatory authority. The Depositary Agreement contains customary indemnities given by the Company in favour of the Depositary.

The Depositary Agreement is governed by the laws of England and Wales.

11.3. Registrar Agreement

The Registrar has been appointed by the Company pursuant to the Registrar Agreement entered into between the Company and the Registrar dated 1 March 2012, as amended from time to time, to provide registrar and receiving agent services to the Company.

Under the terms of the Registrar Agreement, the Registrar is entitled to an annual maintenance fee per Shareholder account. The Registrar is entitled to vary these fees no more than once per calendar year on agreement with the Company. In doing so, the Registrar is entitled to apply a minimum annual increase at the rate of the Whole Economy Average Weekly Earnings Index prevailing at the time. In the 12 months prior to publication of this Prospectus, such fees amounted to approximately £25,500.

Either party may terminate the Registrar Agreement by giving not less than three months' notice to the other party. Either party may terminate the Registrar Agreement with immediate effect upon notice if the other party is subject to certain insolvency events or commits a material breach of the Registrar Agreement which (if capable of remedy) that party has failed to remedy within sixty days of written notice requiring it to do so.

The Company has given certain market standard indemnities in favour of the Registrar in respect of the Registrar's potential losses in carrying on its responsibilities under the Registrar Agreement. The Registrar's liability under the Registrar Agreement is subject to a cap.

The Registrar Agreement is governed by the laws of the England and Wales.

11.4. Fixed Loan and Revolving Credit Facility Agreement

The Company entered into a fixed loan and multicurrency revolving credit facility agreement with The Royal Bank of Scotland International Limited ("RBS") on 29 July 2022 (the "**Fixed Loan and Revolving Credit Facility Agreement**").

Fixed Loan Facility

Pursuant to the Fixed Loan and Revolving Credit Facility Agreement, RBS provided the Company with a term loan of £25,000,000 at an interest rate of 3.558 per cent. (the "**Fixed Loan Facility**"). The termination date of the Fixed Loan Facility is 29 July 2024.

Revolving Credit Facility

A revolving credit facility of up to £35,000,000 is also made available to the Company by RBS pursuant to the Fixed Loan and Revolving Credit Facility Agreement (the "**Revolving Credit Facility**"). Under the terms of the Revolving Credit Facility, the Company has the option to increase the level of commitment from £35,000,000 to £50,000,000 at any time. RBS have sole discretion whether to agree to that increase and to determine the terms upon which it is provided. The termination date of the Revolving Credit Facility is 29 July 2024.

The agreement of the Fixed Loan and Revolving Credit Facility Agreement incurred an arrangement fee of £90,000, which will be amortised over the life of the loan.

The Fixed Loan and Revolving Credit Facility Agreement contains customary representations and warranties given by the Company in favour of RBS. As at the date of this Prospectus, the commitment has not been cancelled or terminated and the Company has drawn down £15,000,000 at a rate of 6.184 per cent.

A commitment fee of 0.40 per cent. per annum of the available Revolving Credit Facility is also payable quarterly whilst the Revolving Credit Facility is available.

11.5. Receiving Agent Agreement

The Company and Equiniti Limited have entered into the Receiving Agent Agreement dated 22 September, 2023 pursuant to which Equiniti Limited has been appointed as Receiving Agent to the Company.

Under the terms of the Receiving Agent Agreement, the Receiving Agent is entitled to a fixed fee of £9,500. The Receiving Agent is also entitled to reimbursement of reasonable out of pocket expenses incurred in connection with the provision of services under the Receiving Agent Agreement.

Either party may terminate the Receiving Agent Agreement with immediate effect upon written notice if (i) the other party commits a material breach of its obligations under the Receiving Agent Agreement which that party has failed to remedy within thirty days of receipt of written notice from the first party requiring it to do so, or (ii) the other party is subject to certain insolvency events.

The Company has given certain market standard indemnities in favour of the Receiving Agent in respect of the Receiving Agent's potential losses in carrying on its responsibilities under the Receiving Agent Agreement. The Receiving Agent's liability under the Receiving Agent Agreement is subject to a cap.

The Receiving Agent Agreement is governed by the laws of England and Wales.

11.6. Sponsor Agreement

In connection with the Scheme and the Issue, the Company, the AIFM and the Sponsor entered into the Sponsor Agreement on 22 September 2023. The Sponsor Agreement is conditional on the satisfaction of certain conditions that are typical for an agreement of this nature including, without limitation, Admission occurring.

Provided the Sponsor Agreement becomes unconditional, Winterflood will be entitled to receive a corporate finance fee. Winterflood will be reimbursed by the Company for certain of their properly incurred costs and expenses of and incidental to the Scheme and the Issue and related arrangements together with any applicable VAT.

The Company has given certain warranties to Winterflood as to the accuracy of the information in this Prospectus and as to other matters relating to the Company. The AIFM has also given certain warranties to Winterflood as to certain information in this Prospectus and as to itself. The Company has given an indemnity to Winterflood in respect of any losses or liabilities arising out of the proper performance by Winterflood of its duties under the Sponsor Agreement.

Winterflood may terminate the Sponsor Agreement in certain circumstances, including for a material breach of the warranties referred to above.

The Sponsor Agreement is governed by the laws of England and Wales.

11.7. Transfer Agreement

The Company, New Dawn and the Liquidators will enter into the Transfer Agreement on or around the Effective Date, which is expected to be 8 November 2023, pursuant to which the cash, undertaking and assets of New Dawn comprising the Rollover Pool will be transferred to the Company in consideration for the issue by the Company of the New Shares to the Liquidators (as nominees for Eligible New Dawn Shareholders), which the Liquidators have agreed to renounce in favour of such Eligible New Dawn Shareholders.

Completion of the transfer of the cash, undertaking and assets of New Dawn comprised in the Rollover Pool shall take place on the date of satisfaction of the Scheme Conditions or as soon as practicable thereafter.

Upon or as soon as practicable following completion of the transfer, in respect of the transfer of any undertaking and assets of New Dawn pursuant to the Transfer Agreement, New Dawn acting by the Liquidators, at the Company's risk, shall:

- (a) deliver to the Company, or as it may direct, duly executed transfers in favour of the Company in respect of all shares, securities and other assets comprised in the Rollover Pool which pass by transfer, together with the relevant certificates or other documents of title relating thereto (to the extent these are in New Dawn's possession or control);
- (b) procure and deliver to the Company, or as it may direct, copies of any consents, licences and approvals necessary to transfer the assets comprised in the Rollover Pool (to the extent these are in New Dawn's possession or control);
- (c) deliver to the Company, or as it may direct, all bearer instruments and other assets comprised in the Rollover Pool which pass by delivery; and
- (d) promptly give instructions to any person, company or other undertaking holding any part of the assets comprised in the Rollover Pool as nominee or on trust for New Dawn or its nominee requiring such person, company or other undertaking to transfer such assets to, or to execute a declaration of nomineehip or trust in favour of, the Company and/or as the Company may direct.

Under the terms of the Transfer Agreement, nothing in the Scheme or in any document executed under or in connection with the Scheme will impose personal liability on the Liquidators or any of

them (save for any liability arising out of any negligence, fraud, bad faith, breach of duty or wilful default by the Liquidators in the performance of their duties) and this will, for the avoidance of doubt, exclude any such liability for any action taken by the Liquidators in accordance with the Scheme, the Transfer Agreement or any act which the Liquidators do or omit to do at the request of the Company.

The Transfer Agreement will be governed by the laws of England and Wales.

The parties to the Transfer Agreement have entered into irrevocable undertakings to enter into the Transfer Agreement on the Effective Date.

12. LITIGATION

During the 12 month period prior to the date of this Prospectus there have been no governmental, legal or arbitration proceedings, and the Company is not aware of any governmental, legal or arbitration proceedings pending or threatened, which may have, or have had, in the recent past, a significant effect on the Company and/or the financial position or profitability of the Company.

13. THIRD PARTY INFORMATION AND CONSENTS

13.1. Where third party information has been referenced in this Prospectus, the source of that third party information has been disclosed. Where information contained in this Prospectus has been so sourced, the Company confirms that such information has been accurately reproduced and, as far as the Company is aware and able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

13.2. The Sponsor has given and not withdrawn its written consent to the inclusion in this Prospectus of references to its name in the form and context in which it appears.

13.3. The AIFM and the Investment Manager have given and not withdrawn their written consent to the inclusion in this Prospectus of references to their names in the form and context in which they appear.

13.4. abrdn Fund Managers Limited and abrdn Asia Limited accept responsibility for the information and opinions contained in: (a) the risk factors contained under the heading 'Risks relating to the investment policy' in the Risk Factors section of this Prospectus; (b) paragraph 9 (Net Asset Value Calculations and Valuation Policy) of Part 1 of this Prospectus; (c) Part 2 (Market Outlook, Investment Strategy and Investment Portfolio) of this Prospectus; (d) paragraph 2.1 (Managerial arrangements) of Part 3 of this Prospectus; and (e) any other information or opinion related to or attributed to either of them or to any of their affiliates. To the best of the knowledge of the AIFM and the Investment Manager, the information contained in those parts of this Prospectus for which they are responsible is in accordance with the facts and those parts of this Prospectus for which they are responsible make no omission likely to affect their import.

14. PROFILE OF TYPICAL INVESTORS

The Directors believe that the Company's shares are intended for investors, primarily in the UK, including retail investors, professionally-advised private clients and institutional investors who are seeking capital growth through investment in a portfolio principally of quoted equities from the Asia Pacific region (excluding Japan), and who understand and are willing to accept the risks of exposure to equities and who view their investment in the Company as long-term in nature.

15. GENERAL MEETING

The Company will publish the Circular on or around the date of this Prospectus. The Notice of General Meeting which is included in the Circular sets out in full the Resolutions to be tabled at the General Meeting of the Company to be held at 2.00 p.m. on 25 October 2023.

16. DOCUMENTS ON DISPLAY

16.1. The following documents will be available for inspection at the Company's website www.asisdragonttrust.co.uk from the date of this Prospectus until the date of Admission:

16.1.1. this Prospectus dated 22 September 2023;

16.1.2. the 2022 Annual Report;

16.1.3. the 2021 Annual Report;

16.1.4. the 2020 Annual Report;

16.1.5. the 2023 Interim Report;

16.1.6. the Company's existing Articles and the Revised Articles; and

16.1.7. the notice of General Meeting.

16.2. In addition, a copy of this Prospectus has been submitted to the National Storage Mechanism and is available for inspection at <https://data.fca.org.uk/a/nsm/nationalstoragemechanism>.

PART 8

DEFINITIONS

In this Prospectus, the words and expressions listed below have the meanings set out opposite them (except where the context otherwise requires):

2020 Annual Report	the statutory financial statements of the Company for the financial year ended 31 August 2020
2021 Annual Report	the statutory financial statements of the Company for the financial year ended 31 August 2021
2022 Annual Report	the statutory financial statements of the Company for the financial year ended 31 August 2022
2023 Interim Report	the Company's unaudited interim report for the six-month period ended 28 February 2023
ABD FAV per Share	an amount equal to the Residual Net Asset Value divided by the number of New Dawn Shares in issue (excluding any New Dawn Shares held in treasury) (expressed in pence) but excluding any New Dawn Shares held by Dissenting New Dawn Shareholders, calculated to six decimal places (with 0.0000005 rounded down)
abrdn Asia or Investment Manager	abrdn Asia Limited, a Singaporean company with its registered office at Marina One East Tower, 7 Straits View, #23-04, Singapore 018936
abrdn Holdings Limited	abrdn Holdings Limited, a private limited company incorporated in Scotland with registered number SC082015, whose registered office is at 10 Queen's Terrace, Aberdeen AB10 1XL
abrdn Investments Limited	abrdn Investments Limited, a private limited company incorporated in Scotland with registered number SC108419, whose registered office is at 10 Queen's Terrace, Aberdeen AB10 1XL
Admission	the admission of the New Shares issued pursuant to the Issue to listing on the premium segment of the Official List and to trading on the premium segment of the Main Market becoming effective
AFML or AIFM	abrdn Fund Managers Limited, a private limited company incorporated in England and Wales with registered number 00740118, whose registered office is at 280 Bishopsgate, London EC2M 4AG
AFML Contribution	the AIFM's contribution to the Company's costs of implementing the Scheme by means of a waiver of the management fee otherwise payable by the Enlarged Company to the AIFM on the assets to be transferred by New Dawn to the Company under the Scheme for the first six months following the Effective Date
AGM or Annual General Meeting	an annual general meeting of the Company
AIC	the Association of Investment Companies
AIC Code	the 2019 AIC Code of Corporate Governance, as revised or updated from time to time
Articles	the articles of association of the Company, as amended from time to time (including, without limitation, by the proposed adoption of the Revised Articles at the General Meeting)
Audit and Risk Committee	the committee of this name established by the Board and having the duties described in paragraph 3.2 of Part 3 (<i>Directors</i> ,

Management and Administration of the Company) of this Prospectus

Auditor	PricewaterhouseCoopers LLP, a limited liability partnership incorporated in England and Wales under the Limited Liability Partnerships Act with registered number OC303525 and whose registered office is at 1 Embankment Place, London WC2N 6RH
Basic Entitlement	subject to the Scheme becoming effective in accordance with its terms, the entitlement of each New Dawn Shareholder to elect for, and have accepted in full an election for, the Cash Option in respect of up to 25 per cent. by number of its holding of New Dawn Shares as at the Calculation Date, rounded down to the nearest whole share
Benchmark	the MSCI AC Asia ex Japan Index
Benefit Plan Investor	as defined in Section 3(3) of ERISA
BNP	BNP Paribas S.A., a public limited company registered in the Paris Companies Register under number: 662 042 449 with its registered office at 16, boulevard des Italiens, 75009 Paris
Board	the board of Directors of the Company, including any duly constituted committee thereof
Business Day	a day on which the London Stock Exchange and banks in the UK are normally open for business
Calculation Date	the time and date to be determined by the New Dawn Board (but expected to be 5.00 p.m. on 2 November 2023) at which the value of New Dawn's assets and liabilities will be determined for the purposes of creating the Liquidation Pool, the Cash Pool and the Rollover Pool, and at which the Residual Net Asset Value, the ABD FAV per Share, the DGN FAV per Share, the Cash Pool NAV and the Cash Pool NAV per Share will be calculated for the purposes of the Scheme
Cash Option	the option for New Dawn Shareholders to receive cash under the terms of the Scheme
Cash Option Discount	the discount of 2 per cent. to the ABD FAV per Share at which the Cash Option is being offered under the Scheme
Cash Pool	the pool of New Dawn's assets attributable to the New Dawn Shares elected or deemed to be elected for the Cash Option under the Scheme
Cash Pool NAV	the Cash Pool NAV per Share multiplied by the total number of New Dawn Shares elected or deemed to be elected for the Cash Option under the Scheme
Cash Pool NAV per Share	an amount equal to the ABD FAV per Share less the Cash Option Discount (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
certificated or in certificated form	a share or other security which is not in uncertificated form
Chairman	the chairman of the Board, from time to time
China	the People's Republic of China
Circular	the Shareholder circular relating to the General Meeting and the Resolutions issued by the Company on or around the date of this Prospectus
CoL	City of London Investment Management Limited

CoL Undertaking	the irrevocable Undertaking given by CoL to the Company and New Dawn in respect of the Scheme
Companies Act	the UK Companies Act 2006, as amended
Company	Asia Dragon Trust plc, a public limited company incorporated in Scotland with company number SC106049, whose registered office is at 1 George Street, Edinburgh EH2 2LL
Conditional Tender Offer	the five-yearly performance-related conditional tender offer of the Company, further details of which are set out in paragraph 7 of Part 1 (<i>The Company</i>) of this Prospectus
Continuation Vote	the vote on the continuation of the Company put forward at every fifth Annual General Meeting
Corporation Tax Act	the UK Corporation Tax Act 2010, as amended
CREST	the Relevant System as defined in the CREST Regulations in respect of which Euroclear is operator (as defined in the CREST Regulations), in accordance with which securities may be held in uncertificated form
CREST Account	an account in CREST
CREST Regulations	the UK Uncertificated Securities Regulations 2001 (SI 2001 No. 2001/ 3755), as amended
CRS	the global standard for the automatic exchange of financial information between tax authorities developed by the OECD
Depository	BNP Paribas Trust Corporation UK Limited, a private limited company incorporated in England and Wales with registered number 04042668, whose registered office is at 10 Harewood Avenue, London NW1 6AA
Depository Agreement	the agreement dated 14 July 2014 and entered into between the Company, the AIFM and BNP Paribas Securities Services, London Branch, as amended and novated to the Depository by a novation and amendment agreement dated 4 May 2022, which is summarised in paragraph 11.2 of Part 7 (<i>General Information</i>) of this Prospectus
DGN FAV	the Net Asset Value of the Company, calculated as at the Calculation Date, post the costs of the Proposals and adjusted to exclude any dividends declared but not paid prior to the Effective Date by the Company to Shareholders (to the extent any such dividend is not already reflected in the Net Asset Value)
DGN FAV per Share	the DGN FAV divided by the number of Shares in issue (excluding treasury shares) as at the Calculation Date (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down)
Directors or Board	the directors of the Company, from time to time
Disclosure Guidance and Transparency Rules	the UK disclosure guidance and transparency rules made by the FCA under Part VI of FSMA
Dissenting New Dawn Shareholder	a New Dawn Shareholder who validly dissents from the Scheme pursuant to section 111(2) of the Insolvency Act
EEA	the European Economic Area
EEA Member State	any member state within the EEA from time to time
Effective Date	the date on which the Scheme becomes effective, which is expected to be 8 November 2023

Eligible New Dawn Shareholders	New Dawn Shareholders excluding Excluded New Dawn Shareholders, save where the Company determines otherwise (at its absolute discretion)
Eligible US Shareholder	a US New Dawn Shareholder that has validly executed a US Investor Representation Letter
Enlarged Company	the Company following completion of the Proposals
ERISA	the U.S. Employment Retirement Income Security Act of 1974, as amended from time to time, and the applicable regulations thereunder
ESG	environmental, social and governance
EU	the European Union
EU AIFM Delegated Regulation	the Commission Delegated Regulation (EU) No 231/2013 of 19 December 2012 supplementing Directive 2011/61/EU of the European Parliament and of the Council with regard to exemptions, general operating conditions, depositaries, leverage, transparency and supervision
EU AIFM Directive	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/ 2009 and (EU) No 1095/2010 and the EU AIFM Delegated Regulation
EU Market Abuse Regulation or EU MAR	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and repealing the Directive of the European Parliament and of the Council of 28 January 2003 and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC
EU PRIIPs Regulation	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (“PRIIPs”) and its implementing and delegated acts
EU Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC
Euroclear	Euroclear UK & International Limited, in its capacity as the operator of CREST
Excess Application	that portion of an election by a New Dawn Shareholder for the Cash Option that exceeds that shareholder’s Basic Entitlement
Excluded New Dawn Shareholder	Overseas New Dawn Shareholders and Sanctions Restricted Persons
Existing Shareholders	holders of Shares prior to the Effective Date
FATCA	Sections 1471 to 1474 of the US Tax Code, known as the US Foreign Account Tax Compliance Act (together with any regulations, rules and other guidance implementing such sections and any applicable IGA or information exchange agreement and related statutes, regulations, rules and other guidance thereunder)
FCA or Financial Conduct Authority	the Financial Conduct Authority of the United Kingdom and any organisation which may replace it or take over the conduct of its affairs

First New Dawn General Meeting	the general meeting of New Dawn in relation to the Scheme convened for 2.00 p.m. on 23 October 2023 or any adjournment of that meeting
Fixed Loan and Revolving Credit Facility Agreement	the fixed loan and multicurrency revolving credit facility agreement between the Company and RBS dated 29 July 2022, pursuant to which RBS provided the Company with the Fixed Loan Facility and the Revolving Credit Facility
Fixed Loan Facility	the term loan of £25,000,000 at an interest rate of 3.56 per cent. provided by RBS to the Company pursuant to the Fixed Loan and Revolving Credit Facility Agreement
FRS 102	financial reporting standard 102 applicable in the UK and Republic of Ireland
FSMA	the UK Financial Services and Markets Act 2000, as amended
General Meeting or GM	the general meeting of the Company convened for 2.00 p.m. on 25 October 2023 or any adjournment of that meeting
HMRC	HM Revenue & Customs in the UK
IGA	intergovernmental agreement
Ineligible US Shareholder	a US New Dawn Shareholder that does not sign and return a valid US Investor Representation Letter to Equiniti, in its capacity as receiving agent to New Dawn
Insolvency Act	the UK Insolvency Act 1986, as amended
Interim Reports	the unaudited interim reports for the Company for the financial periods ended 28 February 2023 and 28 February 2022
Investment Policy Change	the amendments to the Company's investment policy to be proposed by the Board in connection with the Scheme at the General Meeting, the text of which is set out in full in the Circular and in paragraph 3.2 of Part 1 (<i>The Company</i>) of this Prospectus
Investment Trust Tax Regulations	The Investment Trust (Approved Company) (Tax) Regulations 2011
IRS	the US Internal Revenue Service
ISA	an individual savings account approved in the UK by HMRC
Issue	the issue of New Shares to Eligible New Dawn Shareholders and to the Liquidators (in respect of Excluded New Dawn Shareholders), in each case pursuant to the Scheme
LEI	legal entity identifier
Liquidation Pool	the pool of assets of New Dawn to be retained by the Liquidators to meet all known and unknown liabilities of New Dawn and other contingencies (including the Liquidators' Retention), as further described in paragraph 2 of Part 4 (<i>Details of the Scheme and the Issue</i>) of this Prospectus
Liquidators	the liquidators of New Dawn being, initially, the persons appointed jointly and severally upon the resolution to be proposed at the Second New Dawn General Meeting becoming effective
Liquidators' Retention	an amount to be retained by the Liquidators to meet any unknown or unascertained liabilities of New Dawn and the entitlements of any Dissenting New Dawn Shareholders, which is currently estimated by New Dawn to be £100,000
Listing Rules	the listing rules made by the FCA under Part VI of FSMA (as set out in the FCA Handbook), as amended from time to time

London Stock Exchange	London Stock Exchange plc, a public limited company incorporated in England and Wales with registered number 02075721, whose registered office is at 10 Paternoster Square, London, EC4M 7LS
Main Market	the main market for listed securities operated by the London Stock Exchange
Management Agreement	the management agreement dated 14 July 2014, as amended by side letters dated 21 April 2016, 11 November 2017, 12 December 2017 and 30 April 2018, between the Company and the AIFM, as summarised in paragraph 11.1 of Part 7 (<i>General Information</i>) of this Prospectus
Management Engagement Committee	the committee of this name established by the Board and having the duties described in paragraph 3.3 of Part 3 (<i>Directors Management and Administration of the Company</i>) of this Prospectus
MiFID II Product Governance Requirements	has the meaning given in the section entitled “ <i>Information to Distributors</i> ” in the Part entitled “ <i>Important Information</i> ” of this Prospectus
NAV or Net Asset Value	the net assets attributable to the Shares or the New Dawn Shares in issue, calculated in accordance with the respective company’s usual accounting policies on a cum income basis adjusted for borrowings calculated at fair value
NAV per New Dawn Share	the NAV of New Dawn divided by the number of New Dawn Shares in issue (excluding any New Dawn Shares held in treasury) at the relevant time
NAV per Share	the NAV of the Company divided by the number of Shares in issue (excluding any Shares held in treasury) at the relevant time
New Dawn	abrln New Dawn Investment Trust plc, a public limited company incorporated in England and Wales with registered number 02377879 and whose registered office is at 280 Bishopsgate, London, England EC2M 4AG
New Dawn AIFM	abrln Fund Managers Limited
New Dawn Board	the board of directors of New Dawn, including any duly constituted committee thereof
New Dawn Directors	the directors of New Dawn
New Dawn General Meetings	the First New Dawn General Meeting and/or the Second New Dawn General Meeting, as the context requires
New Dawn Portfolio	New Dawn’s portfolio of investments prior to the Effective Date
New Dawn Register	the register of members of New Dawn
New Dawn Resolution or New Dawn Resolutions	the special resolutions to be proposed at the First New Dawn General Meeting and the Second New Dawn General Meeting, or any of them as the context may require
New Dawn Shareholders	holders of New Dawn Shares whose names are entered on the New Dawn Register as at the Record Date
New Dawn Shares	ordinary shares of 5 pence each in the capital of New Dawn
New Shares	the Shares to be issued to Eligible New Dawn Shareholders and to the Liquidators (in respect of Excluded New Dawn Shareholders), in each case pursuant to the Scheme

Nomination Committee	the committee of this name established by the Board and having the duties described in paragraph 3.4 of Part 3 (<i>Directors, Management and Administration of the Company</i>) of this Prospectus
Overseas New Dawn Shareholder	a New Dawn Shareholder (excluding any Eligible US Shareholder) who has a registered address outside of, or who is a resident in, or citizen, resident or national of, any jurisdiction outside the United Kingdom, the Channel Islands or the Isle of Man
Panel	The Panel on Takeovers and Mergers
personal data	has the meaning given in the subsection titled “ <i>Data protection</i> ” in the section titled “ <i>Important Information</i> ” of this Prospectus
Portfolio	the portfolio of investments in which the funds of the Company are invested from time to time
Proposals	the proposals for the Company’s participation in the Scheme (including the Issue) and the Investment Policy Change, as set out in further detail in this Prospectus and the Circular
Prospective Directors	the three current New Dawn Directors to be appointed to the Board when the Scheme becomes effective, being Donald Workman, Stephen Souchon and Nicole Yuen
Prospectus	this document
Prospectus Regulation Rules	the UK prospectus rules and regulations made by the FCA under Part VI of FSMA
Qualified Purchaser or QP	a “qualified purchaser” as defined in Section 2(a)(51)(A) of the US Investment Company Act
RBS	The Royal Bank of Scotland International Limited, a UK establishment of RBS International (UK establishment number BR019279), whose UK establishment office address is Level 3, 440 Strand, London WC2R 0QS
Receiving Agent or Registrar	Equiniti Limited, a private limited company incorporated in England and Wales with registered number 06226088, whose registered office is at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA
Receiving Agent Agreement	the agreement dated 22 September 2023, between the Company and the Receiving Agent summarised in paragraph 11.5 of Part 7 (<i>General Information</i>) of this Prospectus
Record Date	the record date for entitlements of New Dawn Shareholders to New Shares pursuant to the Scheme, being 6.00 p.m. on 1 November 2023 (or such other date as determined at the sole discretion of the New Dawn Board)
Register	the register of members of the Company
Registrar Agreement	the agreement dated 1 March 2012, between the Company and the Registrar, as summarised in paragraph 11.3 of Part 7 (<i>General Information</i>) of this Prospectus
Regulation S	Regulation S under the US Securities Act
Relevant System	means a computer-based system which enables title to units of a security to be evidenced and transferred without written instruments pursuant to the CREST Regulations
Residual Net Asset Value	equal to the gross assets of New Dawn as at the Calculation Date less the value of the cash and other assets appropriated to the Liquidation Pool (which includes any assets attributable to any

	Dissenting New Dawn Shareholders) and adjusted for any dividends declared by New Dawn
Resolutions	Resolution 1, Resolution 2 and Resolution 3 to be proposed for approval by Shareholders at the General Meeting, and each a “ Resolution ”
Resolution 1	the ordinary resolution in relation to the approval of the Issue that will be proposed at the General Meeting
Resolution 2	the ordinary resolution in relation to the approval and adoption of the Investment Policy Change that will be proposed at the General Meeting
Resolution 3	the special resolution in relation to the approval and adoption of the Revised Articles that will be proposed at the General Meeting
Revised Articles	the new articles of association proposed to be adopted at the General Meeting
Revolving Credit Facility	the revolving credit facility of up to £35,000,000 made available to the Company by RBS pursuant to the Fixed Loan and Revolving Credit Facility Agreement
RIS or Regulatory Information Service	a service authorised by the FCA to release regulatory announcements to the London Stock Exchange
Rollover Option	the option under the Scheme for New Dawn Shareholders to elect to receive such number of New Shares as have a value (at the DGN FAV per Share) equal to the proportion of the Rollover Pool attributable to the number of New Dawn Shares so elected
Rollover Pool	the pool of cash, undertaking and other assets established under the Scheme to be transferred from New Dawn to the Company pursuant to the Transfer Agreement
Sanctions Authority	each of: <ul style="list-style-type: none"> (i) the United States government; (ii) the United Nations; (iii) the United Kingdom; (iv) the European Union (or any of its member states); (v) any other relevant governmental or regulatory authority, institution or agency which administers economic, financial or trade sanctions; or (vi) the respective governmental institutions and agencies of any of the foregoing including, without limitation, the Office of Foreign Assets Control of the US Department of the Treasury, the United States Department of State, the United States Department of Commerce and His Majesty's Treasury
Sanctions Restricted Person	each person or entity: <ul style="list-style-type: none"> (i) that is organised or resident in a country or territory which is the target of comprehensive country sanctions administered or enforced by any Sanctions Authority; or (ii) that is, or is directly or indirectly owned or controlled by a person that is, described or designated in (a) the current “Specially Designated Nationals and Blocked Persons” list (which as of the date of this Prospectus can be found at: https://www.treasury.gov/ofac/downloads/sdnlist.pdf; and/or (b) the current “Consolidated list of persons, groups and

entities subject to EU financial sanctions” (which as of the date of this Prospectus can be found at: <https://data.europa.eu/data/datasets/consolidated-list-of-persons-groups-and-entities-subject-to-eu-financial-sanctions?locale=en>); or the current “Consolidated list of financial sanctions targets in the UK” (which as of the date of this Prospectus can be found at: <https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.html>)

- (iii) that is otherwise the subject of or in violation of any sanctions administered or enforced by any Sanctions Authority, other than solely by virtue of their inclusion in: (a) the current “Sectoral Sanctions Identifications” list (which as of the date of this Prospectus can be found at: <https://www.treasury.gov/ofac/downloads/ssi/ssilist.pdf>) (the “**SSI List**”), (b) Annexes 3, 4, 5 and 6 of Council Regulation No. 833/2014, as amended by Council Regulation No. 960/2014 (the “**EU Annexes**”), or (c) any other list maintained by a Sanctions Authority, with similar effect to the SSI List or the EU Annexes

Scheme	the proposed scheme of reconstruction and voluntary winding up of New Dawn under section 110 of the Insolvency Act, pursuant to which the Issue will be undertaken
SDRT	stamp duty reserve tax imposed under Part IV of the UK Finance Act 1986
SEC	the US Securities and Exchange Commission and any organisation which may replace it or take over the conduct of its affairs
Second New Dawn General Meeting	the general meeting of New Dawn in relation to the Scheme convened for 10.00 a.m. on 8 November 2023 or any adjournment of that meeting
Shareholder	a holder of Shares including a holder of New Shares if the context so requires
Shares	ordinary shares with a nominal value of 20 pence each in the capital of the Company, including the New Shares following their issue if the context so requires
Sponsor or Winterflood	Winterflood Securities Limited, a private limited company incorporated in England and Wales with registered number 02242204, whose registered office is at The Atrium Building, Cannon Bridge, 25 Dowgate, London EC4R 2GA
Sponsor Agreement	the agreement dated 22 September 2023, between the Company, the AIFM and the Sponsor, as summarised in paragraph 11.6 of Part 7 (<i>General Information</i>) of this Prospectus
Sterling, £ or GBP	pounds sterling, the lawful currency of the UK
Takeover Code	the UK City Code on Takeovers and Mergers
Target Market Assessment	has the meaning given in the subsection titled “ <i>Information to distributors</i> ” in the section titled “ <i>Important Information</i> ” of this Prospectus
Transfer Agreement	the agreement for the transfer of assets from New Dawn to the Company pursuant to the Scheme to be dated on or around the Effective Date between the Company, New Dawn and the Liquidators, with the terms of the agreed form of such

agreement being summarised in paragraph 11.7 of Part 7 (*General Information*) of this Prospectus

UK or United Kingdom

the United Kingdom of Great Britain and Northern Ireland

UK AIFMD Laws

- (i) the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose the EU AIFM Directive into UK law before 31 January 2020 (as amended from time to time); and
- (ii) the UK versions of the EU AIFM Delegated Regulation and any other delegated regulations in respect of the EU AIFM Directive, each being part of UK law by virtue of the European Union (Withdrawal) Act 2018, as further amended and supplemented from time to time

UK Corporate Governance Code

UK Corporate Governance Code published by the Financial Reporting Council in July 2018

UK MAR

the UK version of the EU Market Abuse Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time

UK MiFID II

the UK's implementation of Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU ("**MiFID**"), together with the UK version of Regulation (EU) No 600/2014 of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Regulation (EU) No 648/2012, which forms part of the domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time

UK PRIIPs Laws

the UK version of the EU PRIIPs Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended and supplemented from time to time

UK Prospectus Regulation

the UK version of the EU Prospectus Regulation which is part of UK law by virtue of the European Union (Withdrawal) Act 2018 (as amended and supplemented from time to time (including by the UK Prospectus Amendment Regulations 2019))

uncertificated or in uncertificated form

a share recorded on the register of members of a company as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST

Uncertificated Securities Regulations

any provision of the Companies Act relating to uncertificated shares (including the holding, evidencing of title to, or transfer of uncertificated shares) and any legislation, rules or other arrangements made under or by virtue of such provision, including without limitation the Uncertificated Securities Regulations 2001

US Exchange Act

the US Securities Exchange Act of 1934, as amended

US Investment Company Act

the US Investment Company Act of 1940, as amended

US New Dawn Shareholder

a New Dawn Shareholder that is a US person

US Person

a "U.S. person" as such term is defined under Regulation S

US Investor Representation Letter

the representation letter that can be completed by US New Dawn Shareholders that are Qualified Purchasers

US Securities Act

the US Securities Act of 1933, as amended

US Tax Code

the US Internal Revenue Code of 1986, as amended

US-UK IGA

the IGA between the UK and the US pursuant to which parts of FATCA have effectively been incorporated into UK law

