

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IT CONTAINS PROPOSALS RELATING TO THE MEMBERS' VOLUNTARY WINDING-UP AND RECONSTRUCTION OF ABRDN NEW DAWN INVESTMENT TRUST PLC ON WHICH YOU ARE BEING ASKED TO VOTE AND IN RELATION TO WHICH SHAREHOLDERS HAVE THE RIGHT TO MAKE AN ELECTION. IF YOU ARE IN ANY DOUBT ABOUT THE ACTION TO BE TAKEN, YOU ARE RECOMMENDED TO SEEK IMMEDIATELY YOUR OWN PERSONAL FINANCIAL ADVICE FROM AN APPROPRIATELY QUALIFIED INDEPENDENT ADVISER AUTHORISED UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

If you have sold or otherwise transferred all of your Ordinary Shares in abrdn New Dawn Investment Trust plc (the "**Company**" or "**ABD**"), you should pass this document, together with the accompanying documents (but not the accompanying personalised Forms of Proxy, Form of Election, Form of Instruction or Letters of Direction), as soon as possible to the purchaser or transferee or to the person through whom the sale or transfer was effected for transmission to the purchaser or transferee. However, the related prospectus published by Asia Dragon Trust plc ("**DGN**" or "**Asia Dragon**") (the "**DGN Prospectus**") should not be forwarded to or transmitted in or into the United States (subject to certain exceptions described herein), any member state of the European Economic Area, Canada, the Republic of South Africa, Australia, New Zealand, Hong Kong or Japan or into any other jurisdictions if to do so would constitute a violation of the relevant laws and regulations in such other jurisdictions. Shareholders who are resident in, or citizens of, territories outside the United Kingdom should read the section headed "**Excluded Shareholders**" in **Part 3** of this document.

The New DGN Shares (as defined below) are not and will not be registered under the U.S. Securities Act of 1933, as amended (the "**US Securities Act**"), and the New DGN Shares may not be offered, sold, pledged or otherwise transferred within the United States, or to or for the benefit of "US 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. Additionally, DGN is not, and does not intend to be, registered as an investment company under the U.S. Investment Company Act of 1940, as amended (the "**US Investment Company Act**"), and DGN Shareholders are not, and will not be, entitled to the benefits of the US Investment Company Act. No issuance, offer, purchase, sale or transfer of New DGN Shares may be made except in a manner which would not require DGN to register under the US Investment Company Act. In connection with the Scheme, US Persons that are existing holders of shares in the Company ("**US Shareholders**") are requested to execute the US investor representation letter (the ("**US Investor Representation Letter**"), which can be requested from the Receiving Agent. There has been and will be no public offer of the New DGN Shares in the United States.

Panmure Gordon (UK) Limited ("**Panmure Gordon**") is authorised and regulated in the United Kingdom by the FCA and is advising the Company and no one else in connection with the Proposals (whether or not a recipient of this document). Panmure Gordon will not be responsible to any person other than the Company for providing the protections afforded to its customers, nor for providing advice in relation to the Proposals and Admission or the contents of this document.

The definitions used in this document are set out in Part 7 of this document.

abrdn New Dawn Investment Trust plc

(Incorporated in England and Wales with registered number 02377879 and registered as an investment company under Section 833 of the Companies Act 2006)

Recommended Proposals for the voluntary winding up of the Company and combination with Asia Dragon Trust plc

and

Notices of General Meetings

and

Notice of Annual General Meeting

This document should be read in conjunction with the DGN Prospectus relating to Asia Dragon which has been prepared in accordance with the Prospectus Regulation Rules, approved by the Financial Conduct Authority in accordance with Section 84 of the Financial Services and Markets Act 2000, and made available to the public in accordance with the Prospectus Regulation Rules. It

has also been published on 22 September 2023. In relation to DGN this document is not a prospectus and does not constitute an offer of any securities for sale or subscription. Investors should not subscribe for any New DGN Shares referred to in this document except on the basis of information provided in the DGN Prospectus. The DGN Prospectus is available on its website, www.asiadragnetrust.co.uk.

The Proposals described in this document are conditional, among other things, on Shareholder approval. Notices of the First General Meeting, to be held at 2.00 p.m. on 23 October 2023, and the Second General Meeting, to be held at 10.00 a.m. on 8 November 2023, in each case at the offices of Dentons UK and Middle East LLP, 1 Fleet Place, London EC4M 7WS, are set out at the end of this document. In addition, on the same day as the First General Meeting, the Company will be holding its required Annual General Meeting. Notice of the Annual General Meeting, to be held at 2.15 p.m. on 23 October 2023 at the offices of Dentons UK and Middle East LLP, 1 Fleet Place, London EC4M 7WS, is also set out at the end of this document. The Company will notify Shareholders of any changes to the proposed format for the General Meetings and/or the Annual General Meeting as soon as possible via a Regulatory Information Service and its website.

All Shareholders are encouraged to vote in favour of the Scheme Resolutions to be proposed at the General Meetings and the Resolutions to be proposed at the Annual General Meeting and, if their Ordinary Shares are not held directly, to arrange for their nominee to vote on their behalf. Forms of Proxy for use in conjunction with the General Meetings and the Annual General Meeting are enclosed. To be valid for use at the General Meetings and the Annual General Meeting, the Forms of Proxy must be completed and returned in accordance with the instructions printed thereon to the Registrar, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible, but in any event so as to be received no later than 48 hours (excluding non-working days) before the time of the relevant meeting. Alternatively, you may appoint a proxy or proxies online at www.sharevote.co.uk. In order to appoint a proxy using this website, you will need your Voting ID, Task ID and Shareholder Reference Number, which are printed on the face of the accompanying Forms of Proxy. Full details of the procedures are noted on the website. Alternatively, Shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk using their user ID and password. Once logged in click "View" on the "My investments" page, click on the link to vote and then follow the on-screen instructions.

Shareholders holding Ordinary Shares through either the abrdrn Share Plan, the abrdrn Investment Plan for Children or the abrdrn Investment Trusts ISA (each a "**Share Plan**" and together the "**Share Plans**") will have received with this document Letters of Direction which must be completed and returned in accordance with the instructions printed thereon (to be valid for use at the General Meetings and the Annual General Meeting) to the Registrar, Equiniti at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible, but in any event so as to be received no later than five Business Days (excluding non-working days) before the time of the relevant meeting. Alternatively, Shareholders who hold their Ordinary Shares in uncertificated form (i.e. in CREST) may vote using the CREST electronic voting service as set out in the accompanying notes to the notices of the General Meetings and the notice of the Annual General Meeting set out at the end of this document.

Shareholders who hold their Ordinary Shares in uncertificated form (i.e. in CREST) may vote using the CREST electronic voting service in accordance with the procedures set out in the CREST Manual (please also refer to the accompanying notes to the notices of the General Meetings and the notice of the Annual General Meeting set out at the end of this document). Proxies submitted via CREST for the General Meetings and the Annual General Meeting must be transmitted so as to be received by the Registrar as soon as possible and, in any event, by no later than 48 hours (excluding non-working days) before the time of the relevant meeting. Shareholders who hold Ordinary Shares in certificated form will also find enclosed with this document a Form of Election for use in connection with the Proposals. Those who hold their Ordinary Shares through a Share Plan will receive a Form of Instruction. To be valid, Forms of Election and Forms of Instruction must be completed and returned to the Registrar, Equiniti, using the enclosed reply-paid envelope (for use within the UK only) at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA so as to arrive as soon as possible and in any event not later than 1.00 p.m. on 1 November 2023 (in the case of the Forms of Election) and not later than 1.00 p.m. on 25 October 2023 (in the case of the Forms of Instruction). Shareholders who hold their Shares in

uncertificated form will not receive a Form of Election and should elect in accordance with the instructions contained in the section of this document titled “Shares held in uncertificated form”, which can be found on page 19 in Part 2 of this document. All Elections will be irrevocable and may not be withdrawn or amended without the consent of the Directors. Failure to return any Form of Election, Form of Instruction or to submit a TTE Instruction (as applicable) or the return of any Form of Election which is not validly completed will result in the relevant Shareholder being deemed to have elected for the Rollover Option in respect of their entire holding of Shares.

NOTICE TO US SHAREHOLDERS

The Scheme is being implemented subject to United Kingdom disclosure requirements which are different from certain United States disclosure requirements. In addition, US 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 Shareholders should note that DGN Shares are not listed on a US securities exchange and DGN 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 Exchange Act.

It may be difficult for US Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since DGN is located in a foreign country, and all of its officers and directors are residents of a foreign country. US 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 Shareholders will receive any cash consideration in Pounds Sterling.

In accordance with the UK City Code on Takeovers and Mergers and normal UK practice, Panmure Gordon will continue to act as a connected exempt market maker or connected exempt principal trader in the Ordinary 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 of the FCA and will be available on the London Stock Exchange website, www.londonstockexchange.com.

It is important that you complete and return the Forms of Proxy, appoint a proxy or proxies electronically or use the CREST voting service in the manner referred to above, and return the Form of Election or submit a TTE Instruction (as applicable) as soon as possible. Your attention is drawn to Part 2 of this document at pages 19 and 20. If you hold your Ordinary Shares in a Share Plan, it is important that you complete and return the Letters of Direction and Form of Instruction in accordance with the instructions printed thereon. Your attention is drawn to paragraph 14 of Part 1 of this document.

Circular dated 22 September 2023

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SUMMARY OF ACTION TO BE TAKEN BY SHAREHOLDERS

Full details of the action to be taken by Shareholders are set out in the section of Part 1 of this document titled “Action to be taken by Shareholders” which can be found on pages 16 and 17 of this document and in the instructions on the Forms of Proxy, the Form of Election, the Letters of Direction (where you hold your Shares in a Share Plan), the Form of Instruction (where you hold your Shares in a Share Plan) and the US Investor Representation Letter (as applicable). You should read this whole document when deciding what action to take. The attention of Excluded Shareholders is drawn to the section headed “Excluded Shareholders” in Part 3 of this document.

TO VOTE ON THE PROPOSALS

To vote on the Proposals



Complete and return the **PINK Form of Proxy** for the First General Meeting so as to be received as soon as possible, but in any event by no later than **2.00 p.m. on 19 October 2023**.

OR

Complete and return the **PINK Letter of Direction** in respect of the First General Meeting so as to be received as soon as possible, but in any event **by no later than 2.00 p.m. on 16 October 2023**.

AND

Complete and return the **GREEN Form of Proxy** for the Second General Meeting so as to be received as soon as possible, but in any event **by no later than 10.00 a.m. on 6 November 2023**.

OR

Complete and return the **GREEN Letter of Direction** in respect of the Second General Meeting so as to be received as soon as possible, but in any event **by no later than 10.00 a.m. on 1 November 2023**.

TO MAKE AN ELECTION

To elect to rollover into DGN in full (the “Rollover Option”)



No Form of Election or Form of Instruction should be completed, however Shareholders should nevertheless vote on the Proposals, as set out above.

To elect for the Cash Option
(limited in aggregate to 25 per cent. of the issued Shares)



If you hold your Shares in certificated form (that is, not in CREST) you **MUST** complete the **BLUE Form of Election** in accordance with the instructions contained therein so as to be received as soon as possible, but in any event **by no later than 1.00 p.m. on 1 November 2023**

OR

in the event you hold your Shares in a Share Plan, you must complete and return the **BLUE Form of Instruction** in accordance with the instructions contained therein so as to be received as soon as possible, **but in any event by no later than 1.00 p.m. on 25 October 2023.**

OR

If you hold your Shares in uncertificated form (that is, in CREST) you **MUST** send a **TTE Instruction** in respect of any Shares for which you wish to make an Election for the Cash Option by no later than **1.00 p.m. on 1 November 2023.**

TO VOTE ON THE RESOLUTIONS AT THE ANNUAL GENERAL MEETING

To vote on the Resolutions at the Annual General Meeting



Complete and return the **WHITE Form of Proxy** for the Annual General Meeting so as to be received as soon as possible, but in any event by no later than **2.15 p.m. on 19 October 2023.**

OR

Complete and return the **WHITE Letter of Direction** in respect of the Annual General Meeting so as to be received as soon as possible, but in any event **by no later than 2.15 p.m. on 16 October 2023.**

If you have any questions relating to the completion and return of your Forms of Proxy and/or the Form of Election, please contact the Receiving Agent's Shareholder Helpline between 8.30 a.m. and 5.30 p.m. (UK time) Monday to Friday (except public holidays in England and Wales) on +44 (0)371-384-2050. Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Shareholder Helpline can only provide information regarding the completion of Forms of Proxy and/or the Form of Election and cannot provide you with financial, tax, investment or legal advice.

If you hold your Ordinary Shares in a Share Plan and require further information, please call 0808 500 4000 or +44 01268 448 222 from overseas. Please note that this number is for information only in relation to the administration of the Share Plans, including in relation to the Letters of Direction and the Form of Instruction, and no investment or tax advice can be given.

Only Shareholders who hold Ordinary Shares as at 6.00 p.m. on 1 November 2023 are able to elect for the Cash Option in respect of those Ordinary Shares. The extent to which a Shareholder elects for the Cash Option is a matter for each Shareholder to decide, and will be influenced by their own individual financial and tax circumstances and investment objectives. Shareholders should seek advice from their own independent financial adviser.

Excluded Shareholders

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

Excluded Shareholders will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to received DGN Shares for the remainder of their shareholding. Such New DGN Shares will be issued to the Liquidators as nominees for the relevant Excluded Shareholder and sold by the Liquidators in the market and the net proceeds paid to the relevant Excluded Shareholder in accordance with paragraph 15.2 of Part 3.

IF YOU ARE NOT AN EXCLUDED SHAREHOLDER AND YOU WISH TO RECEIVE NEW DGN SHARES IN RESPECT OF YOUR ENTIRE HOLDING OF SHARES IN ABD, YOU NEED TAKE NO ACTION AND DO NOT NEED TO COMPLETE THE FORM OF ELECTION OR SEND A TTE (TRANSFER TO ESCROW) INSTRUCTION.

EXPECTED TIMETABLE¹

	2023
Latest time and date for receipt of Letters of Direction for Share Plan Holders in respect of the First General Meeting	2.00 p.m. on 16 October
Latest time and date for receipt of Letters of Direction for Share Plan Holders in respect of the Annual General Meeting	2.15 p.m. on 16 October
Latest time and date for receipt of Forms of Proxy and CREST voting instructions in respect of the First General Meeting	2.00 p.m. on 19 October
Latest time and date for receipt of Forms of Proxy and CREST voting instructions in respect of the Annual General Meeting	2.15 p.m. on 19 October
First General Meeting	2.00 p.m. on 23 October
Annual General Meeting	2.15 p.m. on 23 October
Latest time and date for receipt of Form of Instruction for Shareholders who hold Ordinary Shares in a Share Plan	1.00 p.m. on 25 October
Latest time and date for receipt of Letters of Direction for Share Plan Holders in respect of the Second General Meeting	10.00 a.m. on 1 November
Latest time and date for receipt of Form of Election and TTE Instructions	1.00 p.m. on 1 November
Record date for entitlements under the Scheme	6.00 p.m. on 1 November
Ordinary Shares disabled for settlement in CREST	6.00 p.m. on 1 November
Calculation Date	5.00 p.m. on 2 November
Latest time and date for receipt of Forms of Proxy in respect of the Second General Meeting	10.00 a.m. on 6 November
Reclassification of the Ordinary Shares	7 November
Suspension of listing of Reclassified Shares	7.30 a.m. on 8 November
Second General Meeting	10.00 a.m. on 8 November
Appointment of the Liquidators	8 November
Effective Date for implementation of the Scheme	8 November
Announcement of the results of Elections, the ABD FAV per Share, the Cash Pool NAV per Share, and the DGN FAV per Share	8 November
CREST accounts credited with, and dealings commence in, New DGN Shares	on or soon after 8.00 a.m. on 9 November
Certificates despatched in respect of New DGN Shares during or as soon as practicable after	not later than 10 Business Days from the Effective Date
Cheques despatched to Shareholders who elect for the Cash Option in accordance with their entitlements and CREST accounts credited with cash	not later than 10 Business Days from the Effective Date
Cancellation of listing of Reclassified Shares	as soon as practicable after the Effective Date

¹ **Note:** All references to time in this document 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.

PART 1 – LETTER FROM THE CHAIRMAN

abrdrn New Dawn Investment Trust plc (the “Company”)

(Incorporated in England and Wales with registered number 02377879 and registered as an investment company under Section 833 of the Companies Act 2006)

Directors:

Donald Workman (Chairman)
Marion Sears
Stephen Souchon
Hugh Young
Nicole Yuen

Registered Office:

280 Bishopsgate
London
EC2M 4AG

22 September 2023

Dear Shareholders

Recommended proposals for the voluntary winding-up and reconstruction of the Company and combination with Asia Dragon Trust plc

1 INTRODUCTION

On 21 July 2023, the Board announced that it had agreed heads of terms with Asia Dragon Trust plc (“**Asia Dragon**” or “**DGN**”) in respect of a proposed combination of the Company with Asia Dragon to be effected by way of a scheme of reconstruction of the Company under Section 110 of the Insolvency Act 1986 (referred to as the “**Proposals**”).

Asia Dragon is an investment trust which aims to achieve long-term capital growth principally through investment into companies in the Asia Pacific (ex-Japan) region which are believed by the investment manager to have above-average prospects for growth. abrdrn Fund Managers Limited is the alternative investment fund manager of both Asia Dragon and the Company. The AIFM delegates portfolio management of both the Company and Asia Dragon to abrdrn Asia Limited.

I am writing to you today with further details of the Proposals and to seek your approval for their implementation. The Proposals, which are unanimously recommended by the Board, comprise a members’ voluntary liquidation (solvent liquidation) and a scheme of reconstruction of the Company pursuant to which Shareholders will be entitled, in respect of their shareholdings, to:

- (a) receive New DGN Shares (the “**Rollover Option**”); and/or
- (b) elect to receive cash (subject to an overall limit of 25 per cent. of the Ordinary Shares in issue) (the “**Cash Option**”).

The Cash Option will be offered at a discount of 2 per cent. to the ABD FAV per Share, for the benefit of the Shareholders electing for the Cash Option (the “**Cash Option Discount**”). The Cash Option Discount will be for the benefit of the enlarged Asia Dragon.

Shareholders can make different Elections in respect of different parts of their holdings.

Default option under the Scheme and making an Election

The default option under the Scheme is for eligible Shareholders to receive New DGN Shares meaning that Shareholders who, in respect of all or part of their holding of Ordinary Shares, do not make a valid Election or who do not make an Election at all will be deemed to have elected for New DGN Shares in respect of such holding.

The choice between the options available under the Proposals will be a matter for each Shareholder to decide and will be influenced by his or her investment objectives and by his or her personal, financial and tax circumstances. Accordingly, Shareholders should, before making any Election, read carefully all of the information in this document and in the DGN Prospectus. The key features of Asia Dragon are set out below and in Part 5 of this document. The DGN Prospectus should be read alongside, but does not form part of, this document.

Scheme Conditions

Implementation of the Proposals is subject to a number of conditions. Please refer to the section headed “**Conditions of the Proposals**” in Part 1 of this document. In order to effect the Scheme and the proposed amendments to the Articles in relation to the Scheme, Shareholder approval is required at the First General Meeting. If the Scheme is approved at the First General Meeting, Shareholder approval is required at the Second General Meeting to wind up the Company voluntarily and to appoint and grant authority to the Liquidators to implement the Scheme and to apply for the cancellation of the listing of the Reclassified Shares on the Official List pursuant to the Listing Rules. The Scheme Resolutions are special resolutions and therefore require the approval of 75 per cent. of the votes cast in person or by proxy at the meeting.

Purpose of this document

The purpose of this document is to explain the Proposals and the actions required to be taken in order for them to be implemented and to convene the General Meetings and the Annual General Meeting, notices of which are set out at the end of this document. Further details of the Scheme Resolutions to be proposed at the General Meetings and the Resolutions to be proposed at the Annual General Meeting are set out below. The expected timetable associated with the Proposals is provided on page 8 of this document.

The Board considers the Proposals to be in the best interests of Shareholders as a whole and recommends that Shareholders vote in favour of the Scheme Resolutions required to implement the Proposals at the General Meetings as they will be doing with their own holdings.

Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should seek their own personal financial advice from an appropriately qualified independent financial adviser authorised under FSMA. By their nature, the Proposals are complex and, therefore, the Directors strongly advise that you seek independent financial advice before making an Election.

2 BACKGROUND TO AND RATIONALE FOR THE PROPOSALS

As I set out in the Company’s recent Annual Report, the Company and DGN both invest in the Asia Pacific (ex-Japan) region and both are managed by abrdn Fund Managers with a high level of commonality across their shareholder bases. In light of these similarities, the Board and the DGN Board believe 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 DGN certain benefits, as described at paragraph 3 below.

The AIFM will, following implementation of the Scheme, continue to manage the enlarged DGN. The DGN Board are proposing certain amendments to DGN’s investment policy to DGN shareholders which principally align DGN’s investment policy with the current investment policy of the Company in order to permit investment into Australasia and provide the management team with equivalent geographic flexibility. DGN’s existing benchmark comparative index (MSCI AC Asia ex-Japan Index) will be retained. The portfolio managers of the enlarged Asia Dragon will be Pruksa Iamthongthong and James Thom. Pruksa has been Co-Manager of Asia Dragon since 2017 and James Thom has been part of abrdn’s Asia equity team since 2010.

3 BENEFITS AND FEATURES OF THE PROPOSALS

The Directors believe that the Proposals will have the following benefits for Shareholders who elect, or are deemed to elect, for the Rollover Option:

- (a) **Enhanced profile** – The enlarged DGN is expected to have net assets in excess of £700 million (as at the Latest Practicable Date), 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 DGN, the enlarged DGN is expected to qualify for inclusion in the FTSE 250 Index which is expected to raise the profile and enhancing the marketability of the enlarged DGN.
- (b) **Lower tiered management fee** – AFML has agreed that, with effect from the admission to listing and trading of the New DGN Shares (“**Admission**”), the management fee

payable by DGN to AFML will be reduced to 0.75 per cent. (currently 0.85 per cent.) on the initial £350 million of DGN's net assets and 0.5 per cent. on DGN's net assets in excess of £350 million. In addition, the enlarged DGN will benefit from lower costs following implementation of the Proposals as DGN's tiered fee structure will have the effect of reducing the weighted average fee given the increase in DGN's net assets.

- (c) **Lower ongoing charges** – Existing and new shareholders in DGN are expected to benefit from a lower ongoing charges ratio with the enlarged DGN's fixed costs spread over a larger asset base.
- (d) **Enhanced Liquidity** – The scale of the enlarged DGN is expected to improve the secondary market liquidity of DGN's shares.
- (e) **Contribution to costs** – As described below, 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, is expected to offset the direct transaction costs for DGN shareholders, including Shareholders who rollover.
- (f) **Shareholder register** – The Proposals will allow a number of Shareholders to consolidate their holdings across the two companies while also creating a more diversified shareholder base through a combination of the balance of the two share registers.
- (g) **Conditional tender offer** – DGN offers a five-yearly performance related conditional tender (“**Conditional Tender**”) with the current performance period running from 1 September 2021 to 31 August 2026 (“**2026 CTO**”). It is proposed that, in the light of the Proposals and conditional on the Scheme being implemented, the 2026 CTO will be amended such that, in the event DGN underperforms the Benchmark over the performance period, DGN will offer shareholders the opportunity to tender up to a maximum of 15 per cent. of their shares; a reduction from the maximum of 25 per cent. previously proposed. This reflects the revised Conditional Tender being of broadly a similar size to that previously proposed for the 2026 CTO, given the greater scale of the enlarged DGN.
- (h) **Continuation vote** – DGN shareholders will have the opportunity to vote on the continuation of DGN at every fifth annual general meeting (“**Continuation Vote**”) with the next Continuation Vote to be put forward at the DGN annual general meeting in December 2026.
- (i) **Cash Option** – Under the terms of the scheme an up to 25 per cent. cash exit opportunity is offered to the Company's Shareholders to realise part of their investment in the Company at a 2 per cent. discount to ABD FAV per Share (less the costs of realising the portfolio). The Cash Option Discount will be for the benefit of the enlarged Asia Dragon.

4 CONDITIONS OF THE PROPOSALS

Implementation of the Proposals is subject to a number of conditions, including:

- (a) the recommendation of the boards of the Company and DGN to proceed with the Proposals which may be withdrawn at any time (including, without limit, for material adverse change reasons);
- (b) the passing of the Scheme Resolutions to be proposed at the First General Meeting and the Scheme Resolution to be proposed at the Second General Meeting, or any adjournment of those meetings and upon any conditions of such Scheme Resolutions being fulfilled;
- (c) the passing of the DGN Resolutions to be proposed at the DGN General Meeting, or any adjournment of that meeting and upon any conditions of such DGN Resolutions being fulfilled; and
- (d) the FCA agreeing to admit the New DGN Shares to the Official List and the London Stock Exchange agreeing to admit the New DGN Shares to trading on the Main Market, subject only to allotment.

Any Scheme Condition may, subject to compliance with legal requirements, be waived with the mutual agreement of both the Company and DGN at any time up to completion of the Scheme.

If any Scheme Condition is not satisfied (or waived), the Proposals will not become effective, the Company will not proceed with the winding-up and instead will continue in existence. In these circumstances, the Company will bear its own abort costs. The Directors will reassess the options available to the Company at that time.

5 ASIA DRAGON TRUST PLC

Shareholders who elect for the Rollover Option or take no action will receive New DGN Shares.²

Asia Dragon is a closed-ended investment company incorporated in Scotland on 12 August 1987 as a public limited company with registered number SC106049. It is an investment company as defined by section 833 of the Companies Act 2006 and operates as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010.

Asia Dragon's share capital comprises ordinary shares of 20 pence each. DGN is managed by abrdn Fund Managers, which is also the manager of the Company.

Asia Dragon'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. Where appropriate, Asia Dragon will utilise gearing to maximise long-term returns.

As noted above, Asia Dragon is proposing certain amendments to its investment policy at the DGN General Meeting. The proposed amendments to the Asia Dragon investment policy principally align Asia Dragon's policy with the Company's current investment policy in order to permit investment into Australasia and provide the management team with equivalent geographic flexibility.

As at the Latest Practicable Date, the net asset value of Asia Dragon was £481,999,707.

Further details on Asia Dragon are set out in Part 5 of this document and in the DGN Prospectus (which will be available on 22 September 2023 on the Asia Dragon website at www.asiadragontrust.co.uk). A hard copy is available to non-Excluded Shareholders by request by calling +44 (0)371-384-2050 between 8.30 a.m. and 5.30 p.m. (UK time) Monday to Friday (except public holidays in England and Wales). Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes.

It is expected that Donald Workman, Stephen Souchon and Nicole Yuen (the "**Proposed DGN Directors**") will join the DGN Board upon the Scheme becoming effective.

Please note that neither the Board (other than the Proposed DGN Directors) nor the Company takes any responsibility for the contents of the DGN Prospectus. The DGN Board takes no responsibility for the content of this document.

Upon the Scheme becoming effective, it is proposed that:

- (a) DGN will continue to benchmark performance by reference to the MSCI AC Asia ex Japan index; and
- (b) the enlarged DGN portfolio will be managed by AFML with the named investment managers being Prukha lamthongthong and James Thom.

6 COSTS OF IMPLEMENTING THE SCHEME

The costs of the Scheme payable by the Company are expected to be approximately £655,000 inclusive of VAT which, for the purposes of this calculation, is assumed to be irrecoverable where applicable.

² Please refer to Part 3 in respect of the treatment of Excluded Shareholders.

The estimate of the Company's costs excludes the Liquidators' retention to cover unknown liabilities (estimated at £100,000), and does not take account of any dealing costs which will be incurred by the Company in order to fund the Cash Option and the Liquidation Pool.

The Company will bear the costs of liquidation and realignment of its portfolio prior to the Calculation Date and any sale costs (including any commissions, taxes and market changes) associated with the transfer of the Company's portfolio to DGN.

The Liquidators' retention is estimated at £100,000 and will be retained by the Liquidators to meet any unknown or unascertained liabilities of the Company. To the extent some or all of the Liquidators' retention remains when the Liquidators decide to close the liquidation, this will be returned to Shareholders that were on the Register as at the Record Date.

AFML has agreed to make a contribution to the costs of implementing the Scheme by means of a reduction in the management fee otherwise payable by DGN to AFML in respect of the assets transferred by the Company to DGN for the first six months following the completion of the Scheme, which will be for the benefit of the shareholders of the enlarged DGN, including those Shareholders who elect or are deemed to elect for the Rollover Option. The AFML Contribution is subject to Asia Dragon not terminating the management agreement (other than for cause as provided for under such agreement) within three years from the Effective Date of the Scheme, in which event the enlarged DGN 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). Please refer to the section headed "**Management Fee**" in Part 5 of this document.

In the event that the Scheme does not proceed then each party will bear their own costs in connection with the Proposals.

7 ENTITLEMENTS UNDER THE SCHEME

Under the Scheme, each Shareholder on the Register on the Record Date may elect to receive:

- (a) such number of New DGN Shares as have a value equal to the ABD FAV per Share multiplied by the number of Ordinary Shares so elected, or deemed elected, for the Rollover Option; or
- (b) subject to an overall 25 per cent. cap on such Elections (in aggregate), an amount of cash equal to the Cash Pool NAV per Share multiplied by the number of Ordinary Shares so elected, being the Cash Option.

Shareholders can make different Elections in respect of different parts of their holdings.

The default option under the Scheme is to receive New DGN Shares³, meaning that Shareholders who, in respect of all or part of their holding of Ordinary Shares, do not make a valid Election, or who do not make an Election, will be deemed to have elected for New DGN Shares in respect of such holding. If you wish to receive New DGN Shares in respect of all of your Ordinary Shares, there is no need to complete and return a Form of Election (which you will receive if you hold your Ordinary Shares in certificated form), Form of Instruction (if you hold your Ordinary Shares through a Share Plan) or to submit a TTE Instruction (if you hold your Ordinary Shares in uncertificated form).

If you wish to receive cash in respect of all or part of your holding of Shares (subject to the potential scaling back of Elections for the Cash Option), you must either complete and return a Form of Election, Form of Instruction or submit a TTE Instruction (depending on how your Shares are held) in respect of the number of Shares for which you wish to make an Election for the Cash Option. You will be deemed to have elected to receive New DGN Shares in respect of the remainder of your holding, as well as any scaled back Elections for the Cash Option.

After allocating cash and other assets to the Liquidation Pool to meet all known and unknown liabilities of the Company and other contingencies, including the retention and the entitlements of any Dissenting Shareholders, there shall be appropriated to the Cash Pool and the Rollover

³ Please refer to Part 3 in respect of the treatment of Excluded Shareholders.

Pool the remaining assets of the Company in the manner described in paragraph 3.2 of Part 3 of this document. Such appropriation includes the application of a discount of 2 per cent. to the ABD FAV per Share, in relation to those Shares in respect of which Shareholders have elected to receive cash. The value arising from the application of the Cash Option Discount shall be allocated for the benefit of the enlarged DGN. In the week commencing 20 November 2023, it is expected that the Liquidators shall distribute to Shareholders who have elected for the Cash Option their Cash Entitlements, being rounded down to the nearest penny.

For illustrative purposes only, had the Calculation Date been 5.00 p.m. on the Latest Practicable Date and assuming that no Shareholders exercise their right to dissent from participation in the Scheme, 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 Company's share price and cum-income NAV per 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 DGN share price and cum-income NAV per DGN 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 DGN Shares would have been issued under the Scheme, representing approximately 31.74 per cent. of the issued ordinary share capital of the enlarged DGN immediately following the completion of the Scheme. The enlarged DGN would also then pay listing fees in relation to the listing of the New DGN Shares and any acquisition costs and taxes on the transfer of the Rollover Pool.

The above figures are for illustrative purposes only and do not represent forecasts. The ABD FAV per Share and DGN FAV per Share and Shareholders' entitlements under the Proposals may materially change up to the Effective Date as a result of, *inter alia*, changes in the value of investments. For details of the Scheme, please refer to Part 3 of this document.

Excluded Shareholders should read the section headed "**Excluded Shareholders**" below in this Part 1.

Scaling back of Elections for the Cash Option

The maximum number of Ordinary Shares (in aggregate) that can be elected for the Cash Option is 25 per cent. of the total number of Ordinary Shares in issue (excluding Ordinary Shares held in treasury). Shareholders are entitled to elect for the Cash Option in respect of more than 25 per cent. of their individual holdings of Ordinary Shares (the "**Basic Entitlement**", such excess amount being an "**Excess Application**"). However, if aggregate Elections are made for the Cash Option which exceed 25 per cent. of the issued Ordinary Shares (excluding Ordinary Shares held in treasury), Shareholders who have made an Election for the Cash Option in excess of their Basic Entitlement shall have their Excess Applications scaled back in a manner which is, as near as practicable, *pro rata* to the number of Shares elected under such Excess Applications, resulting in such Shareholders (other than Excluded Shareholders) receiving New DGN Shares instead of cash in respect of part of their holding of Ordinary Shares.

8 DIVIDEND

As an investment trust, the Company is not permitted to retain more than 15 per cent. of its income in any accounting period. In order to meet this requirement, the Company paid, on 8 September 2023, an interim dividend of 3.3 pence per Ordinary Share in respect of the financial year ended 30 April 2023, to Shareholders on the Register as at 11 August 2023.

It is not anticipated that there will be any further dividends paid by the Company in relation to the current financial period or for the period up to the liquidation of the Company.

For the avoidance of doubt, Shareholders receiving New DGN Shares under the Scheme will not, in respect of those New DGN Shares, be entitled to the dividend payable by DGN in respect of its financial year ended 31 August 2023.

9 BORROWINGS

The Company has a £20 million fixed rate facility which expires on 14 December 2023 and a £20 million revolving credit facility which expires on 28 June 2024, both with The Royal Bank of Scotland International Limited. It is proposed that these facilities will not transfer to DGN and will be cancelled and repaid prior to the liquidation of the Company.

10 RISK FACTORS

Shareholders are strongly urged to read carefully the risk factors contained in Part 4 of this document which sets out the material risks known to the Directors at the date of this document in relation to the Proposals. **Shareholders are also strongly urged to read the sections containing risk factors in the DGN Prospectus.**

11 TAXATION

Shareholders are advised to read carefully the section headed "**Taxation**" in paragraph 8 of Part 2 of this document which sets out a general guide to certain aspects of current UK tax law and HMRC published practice.

Please note that nothing in this document constitutes tax advice. Shareholders who are in any doubt as to their tax position or who may be subject to tax in any jurisdiction other than the UK are strongly advised to consult their own professional advisers.

12 SHAREHOLDER MEETINGS

The implementation of the Proposals will require two general meetings of the Company. The notices convening the First General Meeting (to be held at 2.00 p.m. on 23 October 2023) and the Second General Meeting (to be held at 10.00 a.m. on 8 November 2023) are set out at the end of this document.

The Scheme Resolutions to be proposed at the General Meetings, on which all Shareholders may vote, are as follows:

12.1 First General Meeting

The resolutions to be considered at the First General Meeting (which will be proposed as special resolutions) will, if passed, approve the terms of the Scheme and associated amendments to the Company's Articles set out in Part 3 of this document, authorise the Liquidators to enter into and give effect to the Transfer Agreement with DGN to renounce New DGN Shares in favour of Shareholders in accordance with the Scheme, purchase the interests of any dissentients to the Scheme and authorise the Liquidators to apply to cancel the listing of the Shares with effect from such date as the Liquidators may determine.

Each resolution will require at least 75 per cent. of the votes cast in respect of it to be voted in favour, whether in person or by proxy, in order for it to be passed. The Scheme will not become effective unless and until, *inter alia*, the resolution to be proposed at the Second General Meeting has also been passed.

12.2 Second General Meeting

At the Second General Meeting, a special resolution will be proposed which, if passed, will place the Company into liquidation, appoint the Liquidators, agree the basis of their remuneration, instruct the Company Secretary to hold the books to the Liquidators' order and provide the Liquidators with appropriate powers to carry into effect the amendments to the Articles made at the First General Meeting. The resolution to be proposed at the Second General Meeting is conditional upon the Scheme Conditions being satisfied.

The resolution will require at least 75 per cent. of the votes cast in respect of it to be voted in favour, whether in person or by proxy, in order for it to be passed.

If relevant, the Company will notify Shareholders of any changes to the proposed format for the General Meetings as soon as possible via a Regulatory Information Service and its website.

13 ANNUAL GENERAL MEETING

As I set out in the Company's recent Annual Report, the Board did not propose to hold a formal AGM prior to the Scheme becoming effective. However, in light of the statutory deadline for holding an AGM and in order to deal with the various technical matters that are required to be dealt with at an AGM, the Company will convene an AGM at 2.15 p.m. on 23 October 2023 at the offices of Dentons UK and Middle East LLP, 1 Fleet Place, London EC4M 7WS. Due to the technical nature of the AGM, the Company is not providing 20 working days' notice of the AGM as recommended by the UK Corporate Governance Code and the Financial Reporting Council's Guidance on Board Effectiveness. In accordance with the requirements of the Companies Act, the Company is providing 21 clear days' notice of the AGM.

The Resolutions to be proposed at the AGM, on which all Shareholders may vote, are set out in the notice convening the AGM at the end of this document. Further details of each of the Resolutions are set out in the appendix to the notice of AGM. The Board recommends voting in favour of each of the Resolutions which they believe are for the benefit of the Shareholders as a whole.

14 ACTION TO BE TAKEN BY SHAREHOLDERS

Before taking any action, Shareholders are recommended to read the further information set out in this document and in the DGN Prospectus.

14.1 Elections

You are requested to complete the Form of Election in accordance with the instructions printed thereon and return it to the Receiving Agent, Equiniti, using the enclosed reply-paid envelope (for use within the UK only) at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible, but in any event so as to be received no later than 1.00 p.m. on 1 November 2023 or in the event you hold your Shares in a Share Plan, you are requested to complete the Form of Instruction in accordance with the instructions printed thereon and return it to the Receiving Agent, Equiniti, using the enclosed reply-paid envelope (for use within the UK only) at Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible, but in any event so as to be received no later than 1.00 p.m. on 25 October 2023.

14.2 Form of Proxy

All Shareholders are encouraged to vote in favour of the Scheme Resolutions to be proposed at the General Meetings and the Resolutions to be proposed at the Annual General Meeting, and, if the Shares are not held directly, to arrange for their nominee to vote on their behalf.

Shareholders are requested to complete and return proxy appointments to the Registrar by one of the following means:

- (a) By logging on to www.sharevote.co.uk and following the instructions; or
- (b) By completing and signing:
 - (I) the PINK Form of Proxy for use in relation to the First General Meeting;
 - (II) the WHITE Form of Proxy for use in relation to the Annual General Meeting; and
 - (III) the GREEN Form of Proxy for use in relation to the Second General Meeting, in accordance with the instructions printed thereon and returning by post; or
- (c) in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out in the notes to the respective notices of the General Meetings and the Annual General Meeting.

In each case, the proxy appointments must be received by the Company as soon as possible and, in any event, so as to arrive by no later than:

- 2.00 p.m. on 19 October 2023 in respect of the First General Meeting
- 2.15 p.m. on 19 October 2023 in respect of the Annual General Meeting; and
- 10.00 a.m. on 6 November 2023 in respect of the Second General Meeting.

To be valid, the relevant proxy appointment should be completed in accordance with the instructions accompanying it and lodged with the Registrar by the relevant time.

Completion and return of Forms of Proxy will not prevent you from attending and voting in person at the General Meetings and/or the Annual General Meeting should you wish to do so.

If any of the Scheme Resolutions to be proposed at the General Meetings are not passed, the Proposals will not proceed and the Company will not be wound up. In these circumstances, the Board will reassess the options available to the Company at that time.

14.3 Letters of Direction

Shareholders holding Shares through a Share Plan will have received with this document:

- (a) a PINK Letter of Direction for use in relation to the First General Meeting;
- (b) a WHITE Letter of Direction for use in relation to the Annual General Meeting; and
- (c) a GREEN Letter of Direction for use in relation to the Second General Meeting.

These should be completed and returned in accordance with the instructions printed thereon not later than:

- 2.00 p.m. on 16 October 2023 in respect of the First General Meeting;
- 2.15 p.m. on 16 October 2023 the Annual General Meeting; and
- 10.00 a.m. on 1 November 2023 in respect of the Second General Meeting.

14.4 Excluded Shareholders

The attention of Excluded Shareholders is drawn to the paragraph titled “**Excluded Shareholders**” in Part 3 of this document.

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

Any US Shareholder (or any persons acting for the account or benefit of such US Shareholder) receiving this document is requested to execute the US Investor Representation Letter which can be requested from the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6JA. Please note that the Registrar can only provide a copy of the form and will provide no advice as to the filling in of the US Investor Representation Letter. Please send any completed US Investor Representation Letters to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6JA.

Non-US Shareholders are deemed to represent to the Company and DGN that they are located outside of the United States and are not US Persons (and are not acting for the account or benefit of a US Person).

Subject to certain exceptions described herein, no action has been taken or will be taken in any jurisdiction other than the UK where action is required to be taken to permit the distribution of this document and/or the DGN Prospectus. Accordingly, such documents may not be used for the purpose of, and do not constitute, an offer or solicitation by anyone in any jurisdiction or in any circumstances in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation.

Overseas Shareholders and Sanctions Restricted Persons (together “**Excluded Shareholders**”) will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New DGN Shares for the remainder of their shareholding. Such New DGN Shares will be issued to the Liquidators as nominees for the relevant Excluded Shareholder and sold by the Liquidators as nominees for the relevant Excluded Shareholder in the market (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Excluded Shareholder and the value of the Shares held by the

relevant Excluded Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid (i) to the relevant Overseas 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 Shareholder will be retained in the Liquidation Pool; or (ii) in respect of Sanctions Restricted Persons at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulations.

15 RECOMMENDATION AND VOTING INTENTIONS

The Board considers the Proposals and the Scheme Resolutions to be proposed at the General Meetings to be in the best interests of Shareholders as a whole.

Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Scheme Resolutions, as Directors who hold shares intend to do in respect of their own beneficial holdings (being all Directors bar Nicole Yuen), which total 166,320 Ordinary Shares (representing 0.16 per cent. of the Company's total voting rights) as at the Latest Practicable Date. The Directors who hold Ordinary Shares and will be joining the board of Asia Dragon (being Donald Workman and Stephen Souchon) intend to roll over their entire beneficial holdings of Shares into New DGN Shares.

The Board cannot, and does not, give any advice or recommendation to Shareholders as to whether, or as to what extent, they should elect for any of the options under the Proposals. The choice between the options available under the Proposals will be a matter for each Shareholder to decide and will be influenced by his or her individual investment objectives and by his or her personal, financial and tax circumstances. Accordingly, Shareholders should, before deciding what action to take, read carefully all the information in this document and in the DGN Prospectus.

Shareholders who are in any doubt as to the contents of this document or as to the action to be taken should seek their own personal financial advice from an appropriately qualified independent financial adviser authorised under FSMA.

Yours sincerely

Donald Workman
Chairman

PART 2 – FURTHER DETAILS OF THE PROPOSALS

1 IMPLEMENTATION OF THE SCHEME

Subject to the passing of the Scheme Resolutions (and satisfaction of the other conditions of the Scheme, full details of which are set out in paragraph 14 of Part 3 of this document), the Company will be placed into members' voluntary liquidation and the Scheme will take effect from the Effective Date.

On the Calculation Date the Board shall appropriate to the Liquidation Pool such of the cash, undertaking and other assets of the Company estimated by the Board in consultation with the Liquidators to be sufficient to meet the outstanding current and future liabilities, including contingent liabilities, of the Company, including the costs of the Scheme, a retention to meet unknown and unascertained liabilities of the Company and the entitlements of any Dissenting Shareholders. Further details of the Liquidation Pool are set out in paragraph 3.2 of Part 3 of this document.

The balance of the cash, undertaking and other assets of the Company will be allocated to the Rollover Pool and the Cash Pool, each of which will represent the respective entitlements of Shareholders to either New DGN Shares or cash in accordance with the Elections made, or deemed to have been made, under the Scheme.

On the Effective Date, the cash, undertaking and other assets of the Company comprising the Rollover Pool shall be transferred to DGN. In consideration for the transfer of the Rollover Pool to DGN under the Transfer Agreement, the relevant numbers of New DGN Shares will be allotted to the Liquidators who will renounce the New DGN Shares in favour of the Shareholders who elect or are deemed to have elected for the Rollover Option (save that New DGN Shares issued in favour of Excluded Shareholders shall be held by the Liquidators as the nominee for the relevant Excluded Shareholder).

Shortly following the Effective Date, the Liquidators will distribute the cash held in the Cash Pool to the Shareholders who have elected for the Cash Option in accordance with their respective entitlements under the Scheme.

To the extent that any part of the Liquidation Pool, including the Liquidator's retention, is not subsequently required to discharge the Company's liabilities, it will be distributed in cash, to the Shareholders shown on the Register at the Effective Date, at the conclusion of the liquidation.

2 TRANSFER AGREEMENT

- 2.1 If the Proposals become effective, on the Effective Date, or as soon as practicable thereafter, the Liquidators (in their personal capacity and on behalf of the Company) shall enter into and implement the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto), whereby the Liquidators shall procure the transfer of the cash, undertaking and other assets of the Company comprising the Rollover Pool to DGN (or its nominee), for the benefit of DGN, in consideration for the allotment of New DGN Shares to the Liquidators (as nominees for the Shareholders entitled to them), such shares to be renounced by the Liquidators in favour of the holders of Reclassified Shares with "A" rights on the basis referred to in paragraph 8 of Part 3.

Each of the parties to the Transfer Agreement agrees with and undertakes to the others that, so far as may be within its respective powers, it shall implement the Scheme in accordance with its terms.

3 ELECTIONS

3.1 Shares held in uncertificated form (that is, in CREST)

A Shareholder (other than an Excluded Shareholder) holding Ordinary Shares in uncertificated form who wishes to make an Election for the Cash Option in respect of all or part of their holding of Ordinary Shares, should take (or procure to be taken) the action set out below to transfer (by means of a TTE Instruction) the number of Ordinary Shares for which they wish to make an Election for the Cash Option, specifying Equiniti in its capacity as a CREST receiving agent under its participant ID (referred to below) as the escrow agent, as soon as possible

and, in any event, so that the TTE Instruction is received no later than 1.00 p.m. on 1 November 2023.

If you hold Ordinary Shares in CREST but under different member account IDs, you should submit a separate TTE Instruction in respect of each member account ID.

If you are a CREST sponsored member, you should refer to your CREST sponsor before taking any action. Your CREST sponsor will be able to confirm details of your participant ID and the member account ID under which your Ordinary Shares are held. In addition, only your CREST sponsor will be able to send the TTE Instruction to Euroclear in relation to your Ordinary Shares.

To make an Election in respect of the Cash Option you should send (or, if you are a CREST sponsored member, procure that your CREST sponsor sends) a TTE Instruction to Euroclear, which must be properly authenticated in accordance with Euroclear's specification and which must contain, the following details:

- (a) the ISIN number for the Ordinary Shares. This is GB00BBM56V29;
- (b) the number of Ordinary Shares in relation to the relevant Election;
- (c) your member account ID;
- (d) your participant ID;
- (e) the participant ID of the escrow agent, Equiniti, in its capacity as a CREST receiving agent. This is: 6RA86;
- (f) the member account ID of the escrow agent, Equiniti. This is: RACASHOP
- (g) the Corporate Action Number for the Scheme. This is allocated by Euroclear and can be found by viewing the relevant corporate action details in CREST;
- (h) the intended settlement date for the transfer to escrow. This should be as soon as possible after receipt of your Election and in any event by no later than 1.00 p.m. on 1 November 2023;
- (i) the standard delivery instruction with Priority 80; and
- (j) the contact name and telephone number inserted in the shared note field.

After settlement of the TTE Instruction, you will not be able to access the Ordinary Shares concerned in CREST for any transaction or for charging purposes, notwithstanding that they will be held by Equiniti as your escrow agent until completion or lapsing of the Scheme.

You are recommended to refer to the CREST Manual published by Euroclear for further information on the CREST procedures outlined above.

You should note that Euroclear does not make available special procedures in CREST for any particular corporate action. Normal system timings and limitations will therefore apply in connection with a TTE Instruction and its settlement. You should therefore ensure that all necessary action is taken by you (or by your CREST sponsor) to enable a TTE Instruction relating to your Ordinary Shares to settle prior to 1.00 p.m. on 1 November 2023. In connection with this, you are referred in particular to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

3.2 Shares held in certificated form

Shareholders (other than Excluded Shareholders) who hold their Shares in certificated form (i.e. not in CREST) who wish to make an Election for the Cash Option in respect of all or part of their holding in Shares should complete and sign the enclosed personalised Form of Election, inserting in Box 2 either "ALL" or the total number of Shares they wish to attribute for the Cash Option and return the Form of Election using the enclosed reply-paid envelope (for use within the UK only) to the Receiving Agent by post to Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible but, in any event, so as to be received not later than 1.00 p.m. on 1 November 2023. Forms of Election, once submitted, will be irrevocable without the consent of the Directors.

3.3 Shares held via a Share Plan

Shareholders who hold their Shares through a Share Plan, who wish to make an Election for the Cash Option in respect of all or part of their holding of Shares should complete and sign the enclosed personalised Form of Instruction, inserting in Box 2 either "ALL" or the total number of Shares they wish to attribute for the Cash Option, and return the Form of Instruction using the enclosed reply-paid envelope (for use within the UK only) to the Receiving Agent by post to Equiniti, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible but, in any event, so as to be received not later than 1.00 p.m. on 25 October 2023. Forms of Instruction, once submitted, will be irrevocable without the consent of the Directors.

If you hold your Shares in a Share Plan and require further information, please call 0808 500 4000 or +44 01268 448 222 from overseas. Please note that this number is for information only in relation to the administration of the Share Plans, including in relation to the Form of Instruction, and no investment or tax advice can be given.

3.4 General

If you hold Shares in certificated form, but under different designations, you should complete a separate Form of Election in respect of each designation. Similarly, if you hold Shares in CREST but under different member account IDs, you should submit a separate TTE Instruction in respect of each member account ID. If you hold Shares in both certificated and uncertificated form, you should complete a Form of Election or a TTE Instruction for each holding (as appropriate).

If you have any questions relating to completion and return of your Form of Election, please contact the Receiving Agent's Shareholder Helpline between 8.30 a.m. and 5.30 p.m. (UK time) Monday to Friday (except public holidays in England and Wales) on +44 (0)371-384-2050. Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Shareholder Helpline can provide information only regarding the completion of Forms of Proxy and/or the Form of Election but cannot provide you with financial, tax, investment or legal advice.

If you have any questions relating to completion and return of your Form of Instruction, please contact the Share Plan investor helpline between 9.00 a.m. and 5.00 p.m. (UK time) Monday to Friday (except public holidays in England and Wales) on 0808 500 4000. Network providers' costs may vary. Calls to the Shareholder Helpline from outside the UK will be charged at the applicable international rates. Different charges may apply to calls from mobile telephones and calls may be recorded and randomly monitored for security and training purposes. The Share Plan helpline can provide information only regarding the completion of Letters of Direction and/or the Form of Instruction but cannot provide you with financial, tax, investment or legal advice.

4 SETTLEMENT AND DEALINGS IN NEW DGN SHARES

Applications will be made by DGN to the FCA and the London Stock Exchange for the New DGN Shares to be admitted to the Official List and to trading on the Premium Segment of the Main Market of the London Stock Exchange. If the Scheme becomes effective, it is expected that the New DGN Shares will be so admitted and that the first day of dealings will be 9 November 2023. Settlement of any consideration to which any Shareholder is entitled will be effected not later than 10 Business Days after the date on which the Scheme becomes effective.

New DGN Shares will be issued in registered form and may be held in either certificated or uncertificated form. Shareholders who held their Shares in certificated form at the Record Date and who have elected (or are deemed to have elected) for New DGN Shares will receive their New DGN Shares in certificated form. It is expected that share certificates in respect of such New DGN Shares will be despatched to the Shareholders entitled thereto during the week commencing 20 November 2023.

Shareholders who held their Shares in uncertificated form at the Record Date and who have elected (or are deemed to have elected) for New DGN Shares will receive their New

DGN Shares in uncertificated form on 9 November 2023, although DGN reserves the right to issue such securities in certificated form. In normal circumstances, this right is only likely to be exercised in the event of an interruption, failure or breakdown of CREST or of the facilities or system operated by DGN's registrar in connection with CREST. DGN will procure that instructions are given to credit the appropriate stock accounts in the CREST system with the relevant entitlements to New DGN Shares in uncertificated form.

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

Cheques in respect of the cash amounts due to Shareholders who elect for cash are expected to be despatched to them not later than 10 Business Days from the Effective Date. It is expected that Shareholders who hold their Shares in CREST will receive their cash entitlements through CREST not later than 10 Business Days from the Effective Date.

4.1 Mandates and communication preferences

Under the terms of the Scheme, all mandates and other instructions, including communication preferences and in force at the Record Date shall, unless and until revoked, be deemed as from the Effective Date to be valid and effective mandates or instructions to DGN in relation to the New DGN Shares, except to the extent that a Shareholder already holds DGN Shares at the Record Date (and Equiniti is able to match such holdings), in which case any mandates and instructions in relation to those existing DGN Shares will also apply to the New DGN Shares received by that Shareholder under the terms of the Scheme. If you do not wish any mandates and other instructions, including communications preferences that you have given to the Company to apply to your New DGN Shares, please contact Equiniti on the Shareholder Helpline before the Record Date to amend or withdraw such mandates or instructions.

Shareholders who hold their Shares through a Share Plan should refer to paragraph 10 below.

4.2 Share certificates

Existing certificates in respect of Shares will cease to be of tradable value following suspension of dealings in the Shares.

4.3 General

All documents and remittances dispatched to or from Shareholders or their appointed agents in connection with the Proposals will be despatched at Shareholders' own risk.

5 EXCLUDED SHAREHOLDERS

The issue of New DGN Shares to persons resident in or citizens of jurisdictions outside the UK may be affected by the laws of the relevant jurisdiction. Such Shareholders should inform themselves about and observe any legal requirements. In particular:

- (a) the New DGN Shares have not been and will not be registered under the US Securities Act and the New DGN 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 and the relevant clearances have not been, and will not be, obtained from the securities commission of any member states of the European Economic Area, any province of Canada, Australia, Japan or the Republic of South Africa;
- (b) there has not been and there will be no public offer of the New DGN Shares in the United States;
- (c) DGN is not, and does not intend to be, registered under the US Investment Company Act of 1940, as amended, and investors are not, and will not be, entitled to the benefits of the US Investment Company Act; and

- (d) 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, or transmission, telex or telephone) of interstate or foreign commerce, or of any facility in a national securities exchange, (subject to certain exceptions described herein), any member state of the European Economic Area, Canada, Australia, New Zealand, Japan or the Republic of South Africa.

It is the responsibility of Shareholders with registered addresses outside the UK to satisfy themselves as to the observance of the laws of the relevant jurisdiction in connection with the issue of New DGN 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. Shareholders who are subject to taxation outside the UK should consult their independent financial adviser as soon as possible.

US shareholders

Unless otherwise expressly agreed with the Company, any Shareholder that votes on the Proposals and any Shareholder that makes an Election will be deemed to make the representations, warranties, undertakings, agreements and acknowledgements set out in the Forms of Proxy and Form of Election, including that they are either: (i) located outside the United States and not a US Person; or (ii) a QIB that is also a Qualified Purchaser. In addition, until 40 days after the implementation of the Scheme, an offer, sale or transfer of New DGN Shares within the United States by a dealer (whether or not participating in the Scheme) may violate the registration requirements of the US Securities Act.

The Scheme is being implemented subject to United Kingdom disclosure requirements which are different from certain United States disclosure requirements. In addition, US 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 Shareholders should note that DGN Shares are not listed on a US securities exchange and DGN 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 Exchange Act.

The Scheme may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each US Shareholder is urged to consult their independent professional adviser immediately regarding the tax consequences of making a decision regarding the Scheme.

It may be difficult for US Shareholders to enforce their rights and any claim arising out of the US federal securities laws, since DGN is located in a foreign country, and the majority of its officers and directors are residents of a foreign country. US 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 Shareholders will receive any cash consideration in Pounds Sterling.

In accordance with the UK City Code on Takeovers and Mergers and normal UK practice, Panmure Gordon 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 of the FCA and will be available on the London Stock Exchange website, www.londonstockexchange.com.

Any US Shareholder (or any persons acting for the account or benefit of such US Shareholder) receiving this document is requested to execute the US Investor Representation Letter which can be requested from the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6JA. If a US Shareholder does not validly execute and return the US Investor Representation Letter, they will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New DGN Shares in respect of the remainder of their shareholding. Such New DGN Shares will be issued to the Liquidators as nominees for the relevant Ineligible US Shareholder and sold by the Liquidators in the market (which shall be done by the Liquidators without regard to the personal circumstances of, and the value of the Shares held by, the relevant Ineligible US Shareholder and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid to the relevant Ineligible US 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 Ineligible US Shareholder will be retained in the Liquidation Pool.

Non-US Shareholders are deemed to represent to the Company and DGN that they are located outside of the United States and are not US Persons (and are not acting for the account or benefit of a US Person).

Excluded Shareholders

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

Excluded Shareholders will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New DGN Shares for the remainder of their shareholding. Such New DGN Shares will be issued to the Liquidators as nominees for the relevant Excluded Shareholder and sold by the Liquidator as nominees in the market for the relevant Excluded Shareholder (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Excluded Shareholder and the value of the Shares held by the relevant Excluded Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid (i) to the relevant Overseas 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 Shareholder will be retained in the Liquidation Pool; or (ii) in respect of Sanctions Restricted Persons at the sole and absolute discretion of the Liquidators and will be subject to applicable laws and regulations.

6 DISSENTING SHAREHOLDERS

Provided that a Shareholder does not vote in favour of the Scheme Resolutions to be proposed at the First General Meeting, such Shareholder may within seven days following the First General Meeting, express their dissent to the Liquidators in writing at the registered office of the Company and require the Liquidators to purchase the Shareholder's interest in the Company. The Liquidators will retain an amount of cash, undertakings, securities and other assets of the Company in the Liquidation Pool which the Liquidators believe is sufficient to purchase the Shares of the Dissenting Shareholders at the realisation value, this being an estimate of the amount a Shareholder would receive per Share in an ordinary winding up of the Company if all of the assets of the Company had to be realised and distributed to Shareholders after repayment of the liabilities of the Company. The realisation value of a Share is expected to be below the unaudited cum-income NAV per Share and the Liquidators will not purchase the interests of Dissenting Shareholders until all other liabilities of the Company have been settled and HMRC has confirmed that it has no objections to the closure of the liquidation. Dissenting Shareholders should note that it may take a significantly long period of time for the liquidation process to end and for their Shares to be purchased by the Liquidators.

In order to purchase the interests of any Dissenting Shareholders, the Board, in consultation with the Liquidators, will appropriate an amount of the cash, undertaking and other assets of the Company to the Liquidation Pool which it believes is sufficient to purchase the interests of such Shareholders.

7 COMMON REPORTING STANDARDS

Investment trusts are required to report the tax residence of their shareholders. Subject to the Scheme becoming effective, those Shareholders of the Company that are not already on the register of DGN and who hold their DGN Shares in certificated form will be sent a document along with their new share certificate in the enlarged DGN which those Shareholders should complete and return to the Registrar.

8 TAXATION

The information set out below relates to UK taxation applicable to the Company and its Shareholders who are resident only in the UK for tax purposes and who hold Shares as an investment. Accordingly, this information may not relate to certain categories of Shareholders, such as dealers in securities, collective investment schemes, insurance companies and persons acquiring their Shares in connection with their employment who may be taxed differently. The information is based on existing UK taxation law and HMRC published practice in force as at the date of this document and is, therefore, subject to any subsequent changes (possibly with retrospective effect). The information is given by way of general summary only and does not constitute legal or tax advice to any person.

This document does not address the US federal income tax considerations applicable to an investment in the New DGN Shares. Each prospective investor should consult his or her own tax advisers regarding the US federal income tax consequence of any such investment.

If you are in any doubt about your tax position or if you may be subject to tax in a jurisdiction other than the UK you should consult your professional advisers.

8.1 The Company

The Company has obtained approval from HMRC as satisfying the conditions for approval as an investment trust under section 1158 of the Corporation Tax Act 2010 and Chapter 1 of Part 2 of the Investment Trust (Approved Company) (Tax) Regulations 2011.

The Proposals should not prejudice the ability of the Company to retain its investment trust status in respect of the accounting period that ended on 30 April 2023 and in respect of the current accounting period, which will end on the day immediately preceding the Effective Date if the Company is placed into members' voluntary liquidation on that day. Furthermore, the proposed method of winding up the Company and the scheme of reconstruction is such that pursuant to regulations 15 and 16 of the Investment Trust (Approved Company) (Tax) Regulations 2011, the Company should remain eligible to be treated as an investment trust for the accounting period which includes the date on which its assets are sold and/or transferred by the Liquidators pursuant to the Transfer Agreement. Accordingly, the transfer of the Company's assets held within the Rollover Pool and the realisation of the Company's assets held within the Cash Pool and the Liquidation Pool under the Scheme should not give rise to a liability to UK taxation of chargeable gains for the Company. However, there can be no absolute assurance that investment trust status will be preserved and the absence of such status in any accounting period would mean the Company would be liable to pay UK taxation on its chargeable gains (net of any allowable losses) in that period.

8.2 Shareholders

(a) Reclassified Shares

For the purposes of UK taxation of chargeable gains, a Shareholder should not be regarded as having disposed of their Shares on the reclassification of the Shares into Shares with "A" rights and Shares with "B" rights (as relevant). Instead, the Shareholder should be regarded as having acquired the Reclassified Shares at the same time and for the same aggregate base cost as their original holding of Shares.

Where a Shareholder's Shares are reclassified into both Shares with "A" rights and Shares with "B" rights, the Shareholder's base cost in their original holding of Shares should be apportioned by reference to the respective market values of the Shares with "A" rights and Shares with "B" rights received, as at the time the Reclassified Shares are first listed.

(b) Cash Option

Shareholders who receive cash under the Scheme pursuant to the Cash Option should be regarded as having made a disposal of their Reclassified Shares with "B" rights on the distribution of cash by the Liquidators and may be subject to UK taxation of chargeable gains depending on the particular circumstances of the Reclassified Shareholder concerned.

(c) Rollover Option

The Company has been advised that the exchange of Shares with "A" rights for New DGN Shares pursuant to the Rollover Option should constitute a scheme of reconstruction for the purposes of the UK taxation of chargeable gains, and that such exchange should not constitute a disposal of the Shares with "A" rights for the purposes of the UK taxation of chargeable gains. Instead, the New DGN Shares issued pursuant to the Rollover Option should be treated as replacing the Shares with "A" rights for which they were exchanged and should be treated as having been acquired at the same time and for the same base cost as those Shares with "A" rights are treated as having been acquired.

Any subsequent disposal of the New DGN Shares may result in the holder of those new DGN Shares realising a chargeable gain or allowable loss for the purposes of UK taxation of chargeable gains, depending on the holder's particular circumstances.

(d) Liquidation Pool surplus

As provided for in paragraph 9 of Part 3 of this document, any remaining balance in the Liquidation Pool after the discharge of the Company's liabilities will be distributed in cash to the Shareholders on the Register on the Effective Date. The receipt of any such payment by a Shareholder in respect of their Shares with "A" Rights should not be regarded as giving rise to any disposal for the purposes of UK capital gains tax in respect of a Shareholder who is an individual, or UK corporation tax in respect of a Shareholder which is a company or other body corporate, provided that the chargeable gains base cost of their Shares is in excess of the amount of the distribution and the aggregate amount of any such payments received by the Shareholder does not exceed whichever is the greater of: (i) £3,000; and (ii) five per cent. of the value of their Shares on the date the Company enters members' voluntary winding up. Instead, the amount of any such payment or payments should be deducted from the base cost of the DGN Shares issued to the Shareholder under the Scheme and should be taken into account in the determination of the extent to which a chargeable gain or allowable capital loss is realised on any subsequent disposal of those DGN Shares.

On the other hand, the receipt of any such payment by a Shareholder in respect of their Shares with "B" rights should be treated as a further disposal by that Shareholder of those Shares with "B" rights which may, depending on that Shareholder's particular circumstances, give rise to a chargeable gain for the purposes of UK taxation of chargeable gains.

(e) HMRC clearance

Shareholders are advised that a clearance has been obtained from HMRC pursuant to section 138 of the TCGA that the treatment described above under "Rollover Option" is not to be prevented, by virtue of section 137(1) of the TCGA, from applying to them. HMRC has also confirmed that no counteraction notice under section 698 of the Income Tax Act 2007 or section 746 of the Corporation Tax Act 2010 should be served in respect of the transaction.

(f) Dissenting Shareholders

On the Liquidators purchasing the Shares of a Dissenting Shareholder, the purchase price paid for their Shares will not exceed that which the Dissenting Shareholder would receive on a straightforward winding up of the Company. A Dissenting Shareholder who receives such a cash payment will be treated as disposing of the relevant Shares and may, depending on that Shareholder's particular circumstances, realise a chargeable gain for the purposes of UK taxation of chargeable gains.

(g) ISAs and SIPPs

New DGN Shares are eligible for inclusion in an ISA or SIPP. Accordingly, where Shares currently held within an ISA or SIPP are exchanged for New DGN Shares pursuant to the Rollover Option, those New DGN Shares can generally be retained within the ISA or SIPP, subject to the specific terms applicable to the ISA or SIPP. Similarly, where cash is received pursuant to the Cash Option in respect of Shares held within an ISA or SIPP, that cash may also generally be retained within the ISA or SIPP.

(h) Stamp duty and SDRT

It is not expected that any UK stamp duty or SDRT will be payable by the Company or the Shareholders in relation to the liquidation of the Company or on the receipt by Shareholders of New DGN Shares under the Rollover Option. UK stamp duty and SDRT may be incurred by the Company in relation to the realignment of the Company's investment portfolio prior to the Effective Date and by DGN in relation to the transfer of chargeable assets within the Rollover Pool, in addition to other non-UK transfer taxes that may be payable. Non-UK transfer taxes may also be payable by the Company on the transfer of the assets comprising the Rollover Pool to DGN.

9 COL UNDERTAKING

As at 19 September 2023 City of London Investment Management Limited ("**CoL**") held 30.01 per cent. of the voting rights in DGN and 28.02 per cent. of the voting rights in the Company. CoL has signed an irrevocable undertaking (the "**CoL Undertaking**") pursuant to which CoL has undertaken to the Company and DGN:

- to vote (or procure the voting of) its shares in the Company in favour of the Scheme Resolutions; and
- to vote (or procure the voting of) its shares in DGN in favour of the DGN Resolutions.

Unless otherwise agreed between CoL, the Company and DGN, the CoL Undertaking shall cease to have effect on 31 December 2023.

10 GENERAL

All documents and remittance despatched to or from Shareholders or their appointed agents in connection with the Proposals will be despatched at Shareholders' own risk.

11 INFORMATION FOR SHARE PLAN HOLDERS

Share Plan holders will hold their New DGN Shares within the Share Plan for a limited period, given the impending transfer of Share Plan holders to interactive investor due to take place on 12 December 2023.

Share Plan holders are assured that their New DGN Shares will be treated in accordance with their instructions to the Share Plan manager.

PART 3 – THE SCHEME

1 DEFINITIONS AND INTERPRETATION

Words and expressions defined in Part 7 of this document have the same meanings when used in this Scheme. Save as otherwise provided in this Part 3, any Ordinary Shares held by persons who validly exercise their rights under section 111(2) of the Insolvency Act shall be disregarded for the purposes of this Part 3 and shall be treated as if those Ordinary Shares were not in issue.

2 ELECTIONS AND ENTITLEMENTS UNDER THE SCHEME

- 2.1 The maximum number of Ordinary Shares that can be elected for the Cash Option is 25 per cent. of the total number of Ordinary Shares in issue (excluding Ordinary Shares held in treasury) as at the Calculation Date. Shareholders are entitled to elect to receive more than 25 per cent. of their individual holdings of Ordinary Shares (the “**Basic Entitlement**”, such excess amount being an “**Excess Application**”). However, in the event that aggregate Elections are made for the Cash Option which exceed 25 per cent. of the issued Ordinary Shares (excluding Ordinary Shares held in treasury) as at the Calculation Date, Shareholders who have made an Election in excess of their Basic Entitlement shall have their Excess Applications scaled back in a manner which is, as near as practicable, *pro rata* to the number of Shares elected under such Excess Applications. Ordinary Shares which are subject to such scaling back will be deemed to have elected for the Rollover Option.
- 2.2 Subject to the first Scheme Resolution contained in the notice of the First General Meeting being passed and becoming unconditional:
- (a) the Ordinary Shares in respect of which the holders have made, or are deemed to have made (including as a result of scaling back any Excess Applications in accordance with paragraph 2.1 in this Part 3), valid Elections for the Rollover Option will be reclassified as Ordinary Shares with “A” rights; and
 - (b) the Ordinary Shares in respect of which the holders have made, or are deemed to have made (after scaling back any Excess Applications in accordance with paragraph 2.1 in this Part 3), valid Elections for the Cash Option will be reclassified as Ordinary Shares with “B” rights.
- 2.3 The rights of the Ordinary Shares following the passing of such Scheme Resolution will be the rights as set out in Article 5.3 to be inserted in the Articles of the Company pursuant to the first Scheme Resolution contained in the notice of the First General Meeting and references to Shareholders will be construed accordingly.
- 2.4 In advance of the Calculation Date, the Directors intend that the Company and/or the AIFM (or their agents) will have, to the extent practicable, realised or realigned the undertaking and business carried on by the Company in accordance with the Scheme and the Elections made or deemed to have been made thereunder so that, as far as practicable, the Company will hold, in addition to assets destined to become the Cash Pool and the Liquidation Pool, investments suitable for transfer to DGN, by virtue of the Transfer Agreement.
- 2.5 Holders of Reclassified Shares with “B” rights will receive the Cash Pool NAV, less the costs and expenses of realising the Cash Pool (and any value changes after the Calculation Date) divided by the total number of Reclassified Shares with “B” rights held by them and rounded down to the nearest penny.
- 2.6 Holders of Reclassified Shares with “A” rights will receive such number of New DGN Shares as is calculated pursuant to paragraph 8.1 of this Part 3.

3 APPORTIONMENT OF THE COMPANY’S TOTAL ASSETS

- 3.1 Subject to the Scheme Resolutions contained in the notice of the First General Meeting being passed at such meeting and to the first Scheme Resolution becoming unconditional, on the Calculation Date, or as soon as possible thereafter, the Directors, in consultation with the proposed Liquidators, shall calculate the aggregate value of the total assets of the Company, 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 in accordance with paragraph 4 below.

- 3.2 On the Calculation Date, or as soon as practicable thereafter, the Directors, in consultation with the proposed Liquidators, shall procure the finalising of the division of the Company'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:
- (a) first, there shall be appropriated to the Liquidation Pool cash and other assets of the Company (including, without limitation, the right to receive any and all interest, income, distribution, right or benefit and dividends, due but not paid to the Company by the Calculation Date and any illiquid and hard to value assets in the portfolio of the Company (and such illiquid and hard to value assets shall be valued at nil)), which the Liquidators may call in, realise and convert into cash as they consider necessary, of a value calculated in accordance with paragraph 4.1 of this Part 3, which is estimated by the proposed Liquidators, in consultation with the Directors, to be sufficient to meet the current and future, actual and contingent liabilities of the Company, including, without prejudice to the generality of the foregoing and save to the extent that the same have already been paid or already deducted in calculating the total assets of the Company:
 - a. the costs and expenses incurred and to be incurred by the Company and the Liquidators in formulating, preparing and implementing the Proposals and the Scheme and in preparing this document and all associated documents in each case as not otherwise paid prior to the liquidation;
 - b. the costs and expenses incurred and to be incurred by the Company in respect of any required portfolio realignment prior to the implementation of the Scheme;
 - c. the sales costs (including any commissions, taxes and market charges) associated with the transfer of assets from the Company to DGN;
 - d. the costs and expenses incurred and to be incurred by the Company and the Liquidators in preparing and implementing the Transfer Agreement;
 - e. the costs of purchasing (or making provision for the purchase of) the interests of Shareholders who have validly exercised their rights to dissent from the Scheme under section 111 (2) of the Insolvency Act;
 - f. any unclaimed dividends of the Company (so far as not previously paid) and any declared but unpaid dividends of the Company;
 - g. the costs and expenses of liquidating the Company (which includes the costs and expenses in relation to the Liquidators maintaining the Company in liquidation until the date of the final meeting of the Company), including the fees and expenses of the Liquidators and the Registrar;
 - h. any tax liabilities of the Company; and
 - i. an amount considered by the Liquidators to be appropriate to provide for any unascertained, unknown or contingent liabilities of the Company (such amount not expected to exceed £100,000 in aggregate).
 - (b) 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 paragraph (a) above, on the following basis:
 - a. 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 as set out in paragraph 3.4 of this Part 3; and
 - b. there shall be appropriated to the Rollover Pool the balance of the undertaking, cash and assets of the Company.
- 3.3 The Residual Net Asset Value shall be equal to the gross assets of the Company 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 Shareholders) and adjusted for any dividends declared by the Company. The ABD FAV per Share shall be equal to the Residual Net Asset Value divided by the number of Shares in issue (excluding any Shares

held in treasury) (expressed in pence), calculated to six decimal places (with 0.0000005 rounded down).

- 3.4 The Cash Pool NAV per Share (expressed in pence) shall be equal to the ABD FAV per Share, less a discount of 2 per cent. (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down). The Cash Pool NAV shall be equal to the Cash Pool NAV per Share multiplied by the total number of Reclassified Shares with "B" rights.
- 3.5 Interest, income and other rights or benefits accruing in respect of any of the undertaking, cash or other assets comprised in any of the Liquidation Pool, Cash Pool or Rollover Pool shall form part of that pool, provided that any income, dividend, distribution, interest or other right or benefit on any investment marked "ex" the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Calculation Date shall be deemed to form part of the Liquidation Pool.

4 CALCULATIONS OF VALUE

- 4.1 Except as otherwise provided in the Scheme, for the purposes of calculating the value of the Company's assets at any time and date at which the calculation of value is required by the Scheme, the assets and liabilities of the Company shall be valued on the following basis:
- (a) investments which are listed, quoted or traded on any recognised stock exchange will be valued by reference to the bid price on the principal stock exchange where the relevant investment is listed, quoted or traded at the Relevant Time and according to the prices shown by the relevant exchange's method of publication of prices for such investments or, in the absence of such recognised method by the latest price available prior to the Relevant Time. If the relevant exchange is not open for business at the Relevant Time, the investments will be valued as at the latest day prior to the relevant date on which the relevant stock exchange was open for business;
 - (b) unlisted investments or quoted investments which are subject to restrictions on transferability or which, in the opinion of the Directors (or a duly constituted committee thereof) are otherwise illiquid shall be valued at their fair value as determined by the Directors and any unquoted or hard to value assets shall be valued at nil;
 - (c) cash and deposits with, or balances at, a bank together with all bills receivable, money market instruments and other debt securities not included in paragraphs (a) or (b) above and held by the Company as at the Relevant Time will be valued at par (together with interest accrued up to the Calculation Date);
 - (d) any sums owing from debtors (including any dividends due but not paid and any accrual of interest on debt-related securities to the extent not already taken into account under paragraphs (a) and (b) above) as at the Relevant Time shall be valued at their actual amount less such provision for diminution of value (including provisions for bad or doubtful debts or discount to reflect the time value of money) as may be determined by the Directors;
 - (e) assets denominated in currencies other than Sterling will be converted into Sterling at the closing mid-point rate of exchange of Sterling and such other currencies prevailing as at the Relevant Time as may be determined by the Directors; and
 - (f) liabilities shall be valued in accordance with the Company's normal accounting policies.

In this paragraph 4.1, the "**Relevant Time**" means the time and date at which any calculation of value is required by the Scheme to be made. The Directors shall consult with the Liquidators in making determinations pursuant to this paragraph 4.1.

- 4.2 Notwithstanding the foregoing, the Directors or a duly authorised committee thereof, may, in their absolute discretion (but in consultation with the Liquidators), permit an alternative method of valuation to be used if, acting in good faith, they consider that such valuation better reflects the fair value of any asset or security. None of the Directors, the Company or the Liquidators will be under any liability by reason of the fact that a valuation believed to be appropriate may subsequently be found not to have been appropriate.
- 4.3 None of the Directors, abrdn Fund Managers, the DGN Directors nor the Liquidators shall be under any liability by reason of the fact that a price reasonably believed to be the appropriate

market price of any listed investment or any valuation reasonably believed to be appropriate may subsequently be found not to have been the appropriate market price or valuation, except in the case of fraud or bad faith.

5 PROVISION OF INFORMATION BY THE LIQUIDATORS

- 5.1 On the Effective Date, or as soon as practicable thereafter, the Liquidators shall procure that there shall be delivered to DGN (or its nominee) particulars of the undertaking, cash and other assets comprising the Rollover Pool in accordance with the terms of the Transfer Agreement and a list, certified by the Registrar, of the names and addresses of each holder of Reclassified Shares with “A” rights and the number of Reclassified Shares with “A” rights held by each of them.

6 TRANSFER OF ASSETS AND LIABILITIES

- 6.1 On the Effective Date, or as soon as practicable thereafter, the Liquidators (in their personal capacity and on behalf of the Company) shall enter into and implement the Transfer Agreement (subject to such modifications as may be agreed between the parties thereto), whereby the Liquidators shall procure the transfer of the cash, undertaking and other assets of the Company comprising the Rollover Pool to DGN (or its nominee), for the benefit of DGN, in consideration for the allotment of New DGN Shares to the Liquidators (as nominees for the Shareholders entitled to them), such shares to be renounced by the Liquidators in favour of the holders of Reclassified Shares with “A” rights on the basis referred to in paragraph 8 below.
- 6.2 The Transfer Agreement provides that the assets to be transferred to DGN (for the benefit of DGN) shall be transferred with such rights and title as the Company may have in respect of the same or any part thereof subject to and with the benefit of all and any rights, restrictions, obligations, conditions and agreements affecting the same or any part thereof, excluding any income, dividend, distribution, interest or other right or benefit on any investment marked “ex” the relevant income, dividend, distribution, interest or other right or benefit at or prior to the Calculation Date (which shall be deemed to form part of the Liquidation Pool). The Transfer Agreement further provides that the Company, acting by the Liquidators, insofar as they are reasonably able to do so by law or otherwise, shall comply with all reasonable requests made by DGN (or its nominee) in respect of the cash, undertaking and other assets of the Company to be acquired and shall, in particular, account to DGN for all income, dividends, distributions, interest and other rights and benefits in respect of such cash, undertaking and other assets, received after the Effective Date.

7 DISTRIBUTION OF THE CASH POOL

Cash entitlements payable to the holders of Reclassified Shares with “B” rights shall be distributed by the Liquidators, through the Registrar and pursuant to the Scheme, in cash to each such holder who has elected for the Cash Option in proportion to its respective holding of Reclassified Shares with “B” rights which shall be equal to the Cash Pool NAV per Share, less the costs and expenses of realising the Cash Pool (and any valuation changes after the Calculation Date), rounded down to the nearest penny.

8 ISSUE OF NEW DGN SHARES

- 8.1 In consideration for the transfer of the Rollover Pool to DGN (for the benefit of DGN) in accordance with paragraph 6 above, the New DGN Shares shall be issued to holders of Ordinary Shares with “A” rights on the basis that the number of such shares to which each such holder is entitled shall be determined in accordance with the following formula (rounded down to the nearest whole number of DGN Shares):

$$\text{Number of DGN Shares} = \frac{A}{B} \times C$$

where:

A is the ABD FAV per Share (as at the Calculation Date);

B is the DGN FAV per Share (as at the Calculation Date);

$\frac{A}{B}$ is the Conversion Ratio; and

C is the aggregate number of Reclassified Shares with “A” rights held by the relevant Shareholder.

- 8.2 No value shall be attributable to Ordinary Shares held in treasury by the Company. Fractions of New DGN Shares will not be issued under the Scheme and entitlements to such New DGN Shares will be rounded down to the nearest whole number. Any assets representing a fraction of the entitlements of holders of Reclassified Shares with “A” rights and whose holding of New DGN Shares is rounded down shall be retained by DGN and represent an accretion to its assets.
- 8.3 The New DGN Shares to be issued pursuant to paragraph 8.1 will be allotted, credited as fully paid, to the Liquidators (as nominee for the Shareholders entitled thereto) as soon as practicable after the delivery to DGN (or its nominee) of the particulars referred to in paragraph 5.1 above, whereupon the Liquidators will renounce the allotments of New DGN Shares in favour of Shareholders entitled to them under the Scheme. On such renunciation, DGN will issue the New DGN Shares to the Shareholders entitled thereto. DGN shall:
- (a) in the case of the New DGN Shares issued in certificated form, arrange for the despatch of certificates for such shares issued under the Scheme to the Shareholders entitled thereto at their respective addresses in the Register (and, in the case of joint holders, to the address of the first-named) or to such other person and address as may be specified by such persons in writing, in each case at the risk of the persons entitled thereto not later than 10 Business Days following the Effective Date; and
 - (b) in the case of the New DGN Shares issued in uncertificated form, procure that Euroclear is instructed on the Business Day following the Effective Date (or as soon as practicable thereafter) to credit the appropriate stock accounts in CREST of the Shareholders entitled thereto with their respective entitlements to New DGN Shares issued under the Scheme.
- 8.4 DGN shall be entitled to assume that all information delivered to it in accordance with paragraph 8.3 above is correct and to utilise the same in procuring registration in the DGN register of members of the holders of the New DGN Shares issued under the Scheme.

9 APPLICATION OF LIQUIDATION POOL

On or following the Effective Date, the Liquidation Pool shall be applied by the Company (acting by the Liquidators) in discharging the liabilities of the Company. The remaining balance of the Liquidation Pool, if any, shall be distributed in cash by the Liquidators pursuant to the Scheme, to all Shareholders (excluding Ordinary Shares held in treasury) (in each case being those Shareholders on the Effective Date in proportion to the respective holdings of Ordinary Shares on the Effective Date other than Dissenting Shareholders) provided that if any such amount payable to any Shareholder is less than £5.00, it shall not be paid to Shareholders but instead shall be retained by the Liquidators for the benefit of DGN. The Liquidators will also be entitled to make interim payments to Shareholders in proportion to their holdings of

Ordinary Shares. The Liquidators shall only make such distribution if there is sufficient cash available and if the Liquidators are of the view that it is cost effective to make an interim distribution. For these purposes, any Ordinary Shares held by Dissenting Shareholders will be ignored.

10 FORMS OF ELECTION AND INSTRUCTION

For the purposes of the Form of Election and Form of Instruction (as applicable), the provisions of which form part of the Scheme:

- (a) if, on any Form of Election or Form of Instruction, the Shareholder's Election for the Cash Option is greater than their actual holding as at the Record Date, the Cash Option election made by such Shareholder on that Form of Election or Form of Instruction shall be decreased, so that the total of such Election(s) shall equal their total holding and, in any such case, such decreased Election(s) shall be deemed to be the Election(s) made by such Shareholder on the Form of Election or Form of Instruction for all purposes of this Scheme;
- (b) if, on any Form of Election or Form of Instruction, a Shareholder's Election for the Cash Option is less than their actual holding as at the Record Date, then for the balance of such Shareholder's Shares, that Shareholder will be deemed to have elected for the Rollover Option;
- (c) a Shareholder who makes no Election by the due date, or in respect of whom no Form of Election or Form of Instruction has been duly and validly completed in accordance with the instructions therein, shall be deemed to have made an Election for the Rollover Option in respect of all of the Shares held by him/her for all purposes of the Scheme;
- (d) by signing and delivering a Form of Election or Form of Instruction and in consideration of the Company agreeing to process the Form of Election or Form of Instruction, a Shareholder agrees that the Election made on the Form of Election or Form of Instruction will be irrevocable (other than with the consent of the Directors) and, by such signature and delivery, such Shareholder represents and warrants that his Election is valid and binding and is made in accordance with all applicable legal requirements (including the requirements of any applicable jurisdiction outside the UK); and
- (e) any questions as to the extent (if any) to which Elections will be met and as to the validity of any Form of Election or Form of Instruction shall be at the discretion of the Directors, whose determination shall be final.

11 MODIFICATIONS

The provisions of the Scheme will have effect subject to such non-material modifications or additions as the Directors and the parties to the Transfer Agreement may from time to time approve in writing.

12 RELIANCE ON INFORMATION

The Company, the Directors, the Liquidators, the Investment Manager and DGN shall be entitled to act and rely, without enquiry, on any information furnished or made available to them or any of them (as the case may be) in connection with the Scheme and the Transfer Agreement, including, for the avoidance of doubt, any certificate, opinion, advice, valuation, evidence or other information furnished or made available to them by the Company, the Directors (or any of them), the Investment Manager, DGN, the DGN Directors (or any of them) or the Registrar, auditors, bankers, managers, custodians or other professional advisers, and no such person shall be liable or responsible for any loss suffered as a result thereof by the Company, any Shareholder, DGN or any DGN Shareholder.

13 LIQUIDATORS' LIABILITY

Nothing in the Scheme or in any document executed under or in connection with the Scheme will impose any personal liability on the Liquidators or either 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 DGN.

14 CONDITIONS

14.1 The Scheme is conditional upon:

- (a) the recommendation of the boards of the Company and DGN to proceed with the Proposals which may be withdrawn at any time (including, without limit, for material adverse change reasons);
- (b) the passing of the Scheme Resolutions to be proposed at the First General Meeting and the Scheme Resolution to be proposed at the Second General Meeting, or any adjournment of those meetings and upon any conditions of such Scheme Resolutions being fulfilled;
- (c) the passing of the DGN Resolutions to be proposed at the DGN General Meeting, or any adjournment of that meeting and upon any conditions of such DGN Resolutions being fulfilled; and
- (d) the FCA agreeing to admit the New DGN Shares to the Official List and the London Stock Exchange agreeing to admit the New DGN Shares to trading on the Main Market, subject only to allotment.

14.2 Any condition may, subject to compliance with legal requirements, be waived with the mutual agreement of each of ABD, and DGN at any time up to completion of the Scheme.

14.3 In the event that any of the conditions in paragraph 14.1 fails to be satisfied (other than in respect of the Second General Meeting), the Second General Meeting will be adjourned indefinitely and the Scheme will lapse.

14.4 Subject to paragraphs 14.1 and 14.6, the Scheme will become effective on the date on which the special resolution for the winding-up of the Company to be proposed at the Second General Meeting (or any adjournment thereof) is passed (the “**Effective Date**”).

14.5 If it becomes effective, the Scheme will, subject to the rights of any Shareholders who have validly exercised their rights under section 111(2) of the Insolvency Act, be binding on all Shareholders and on all persons claiming through or under them.

14.6 Unless the conditions set out in paragraph 14.1 have been satisfied or, to the extent permitted, waived by both the Company and DGN on or before 30 November 2023, the Scheme shall not become effective.

14.7 An application will be made to the Financial Conduct Authority for the listing of the Reclassified Shares to be suspended, subject to paragraphs 14.1(a), to 14.2 above, at 7.30 a.m. on 8 November 2023 and it is intended that subject to paragraph 14.1, such listing will be cancelled with effect from or as soon as possible after the Effective Date, or such other date as the Liquidators will determine.

15 EXCLUDED SHAREHOLDERS

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

15.2 Excluded Shareholders will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New DGN Shares for the remainder of their shareholding. Such New DGN Shares will be issued to the Liquidators as nominees for the relevant Excluded Shareholder and sold by the Liquidators as nominees for the relevant Excluded Shareholder in the market (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Excluded Shareholder and the value of the Shares held by the relevant Excluded 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 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 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.
- 15.3 Any US Shareholder (or any persons acting for the account or benefit of such US Shareholder) receiving this document, is requested to execute the US Investor Representation Letter, which can be requested from the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6JA. Completed US Investor Representation Letters should be returned to the Receiving Agent at Equiniti Limited, Corporate Actions, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6JA.
- 15.4 The Company and DGN reserve the right, in their absolute discretion, to investigate in relation to US Shareholders, whether the representations and warranties set out in the US Investor Representation Letter given by any US Shareholder are correct. Furthermore, if a US Shareholder does not validly execute and return the US Investor Representation Investor Letter, they will be deemed to have elected for their Basic Entitlement in respect of the Cash Option and to receive New DGN Shares in respect of the remainder of their shareholding. Such New DGN Shares will be issued to the Liquidators as nominees for the relevant Ineligible US Shareholder and sold by the Liquidators in the market (which shall be done by the Liquidators without regard to the personal circumstances of the relevant Ineligible US Shareholder and the value of the Shares held by the relevant Ineligible US Shareholder) and the net proceeds of such sale (after deduction of any costs incurred in effecting such sale) will be paid to the relevant Ineligible US 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 US Shareholder will be retained in the Liquidation Pool.
- 15.5 Non-US Shareholders are deemed to represent to the Company and DGN that they are located outside of the United States and are not US Persons (and are not acting for the account or benefit of a US Person).
- 15.6 The provisions of this Scheme relating to Overseas Shareholders may be waived, varied or modified as regards a specific Shareholder or on a general basis by the Directors and the DGN Directors in their respective absolute discretions.

16 GENERAL

- 16.1 The enlarged DGN will meet any acquisition costs (including any stamp duty or other transaction charges, commissions and market charges) associated with the transfer of assets from the Company to DGN. The Company will meet any sales costs (including any commissions, taxes (including stamp duty where applicable) and market charges) associated with the transfer of assets from the Company to DGN.
- 16.2 Any instructions for the payment of dividends on Ordinary Shares in force on the Effective Date and lodged with the Company and/or the Registrar shall, unless and until revoked by notice in writing to the Registrar, continue to apply in respect of distributions or allocations of, or the other application of, monies under the Scheme or in respect of the issue of New DGN Shares under the Scheme.
- 16.3 If, within seven days after the passing of the Scheme Resolutions proposed at the First General Meeting, Shareholders validly exercise their rights under section 111(2) of the Insolvency Act 1986 in respect of more than 5 per cent. in nominal value of the issued Ordinary Shares, the Directors (or a duly authorised committee thereof) may, but will not be obliged to, resolve not to proceed with the Scheme. Any such resolution by the Directors (or a duly authorised committee thereof) will only be effective if passed prior to the passing of the Scheme Resolution for winding-up the Company to be proposed at the Second General Meeting (or any adjournment thereof).

16.4 Ordinary Shares which are held in treasury by the Company shall not have any entitlements under the Scheme.

16.5 The Scheme shall be governed by, and construed in accordance with, the laws of England.

PART 4 – RISK FACTORS

The risks referred to below are the material risks known to the Directors at the date of this document which the Directors believe Shareholders should consider prior to deciding how to cast their votes on the Scheme Resolution(s). Any investment in DGN (pursuant to the Scheme or otherwise) will be governed by the DGN Prospectus and the DGN Articles. Shareholders are strongly urged to read the section containing the risk factors in the DGN Prospectus. If Shareholders are in any doubt as to the contents of this document or as to what action to take, they should consult their stockbroker, bank manager, solicitor, accountant or other financial adviser authorised under FSMA without delay.

Risks Relating to the Proposals

Implementation of the Proposals is conditional, among other things, upon the Scheme Resolutions being passed and on the DGN Resolutions being passed by DGN shareholders. In the event that any of the Scheme Resolutions are not passed and the DGN Resolutions are not passed or any other condition of the Proposals is not met, the Proposals will not be implemented and the Company will be required to meet its own costs in relation to the Scheme, estimated to be £655,000 inclusive of VAT where applicable (which exclude any portfolio realignment costs and exclude the Retention). The Directors will then consider alternative proposals for the future of the Company, the implementation of which would likely result in additional costs being incurred.

In advance of the Effective Date, the Directors intend that the Company and/or the AIFM (or their agents) will have, to the extent practicable, realised or realigned the undertaking and business carried on by the Company in accordance with the Scheme and the Elections made or deemed to have been made thereunder so that, so far as practicable, the Company will hold, in addition to assets destined to become the Cash Pool and the Liquidation Pool, investments suitable for transfer to DGN, by virtue of the Transfer Agreement. If the Scheme fails to proceed, a portion of the Company's portfolio may therefore be held as assets which may need to be reinvested or realigned. As a result, the Company may incur additional reinvestment or realignment costs if the Scheme does not proceed and such costs will be borne by the Company.

Shareholders' illustrative entitlements set out in Part 1 of this document should not be regarded as forecasts. The ABD FAV per Share and DGN FAV per Share and Shareholders' entitlements under the Proposals may materially change up to the Effective Date as a result of, *inter alia*, changes in the value of investments.

If a Shareholder wishes to elect for more than their Basic Entitlement and total Elections for the Cash Option made by all Shareholders are greater than 25 per cent. of the total issued Ordinary Shares (excluding Ordinary Shares held in treasury) then such Shareholder's Election will be scaled back resulting in such Shareholder (other than an Excluded Shareholder) receiving New DGN Shares instead of cash in respect of part of their holding of Ordinary Shares.

Dissenting Shareholders

The Liquidators will offer to purchase the holdings of any Dissenting Shareholders at the realisation value, this being an estimate of the amount a Shareholder would receive per Share in an ordinary winding up of the Company if all of the assets of the Company had to be realised and distributed to Shareholders. The realisation value of a Share is expected to be below the unaudited cumulative NAV per Share and the Liquidators will not purchase the interests of Dissenting Shareholders until all other liabilities of the Company have been settled and HMRC has confirmed that it has no objections to the closure of the liquidation.

Risks associated with Asia Dragon

Any investment in the New DGN Shares issued by DGN will be governed by the DGN Prospectus and the DGN Articles. Shareholders should read the full text of the DGN Prospectus, including the section containing risk factors.

An investment in Asia Dragon will involve exposure to those risks normally associated with investment in shares. The shares in DGN are designed to be held over the long-term and may not be suitable as short-term investments. The price of the shares can go down as well as up and an investor may not get back the full amount invested. There is no assurance that the investment

objective of DGN will actually be achieved or provide the returns sought by investors. The market price of the New DGN Shares may not fully reflect their underlying asset value (if any).

The DGN portfolio may decline in value if Asia Pacific securities are generally failing. DGN's assets are invested in a currency other than Sterling. Movements in exchange rates to Sterling may reduce returns. Changes in political, geopolitical or market conditions may cause declines in the value of investments. There may be times when the Asia Pacific region is particularly out of favour relative to other markets or regions leading to underperformance of DGN relative to other companies invested in other markets/regions. Gearing may also reduce returns relative to the DGN index, particularly if interest rates are high or rising. Negative sentiment towards DGN and/or to the sector may lead to a widening of the discount of the share price to NAV, or a decrease in the premium of the share price to NAV.

DGN is a closed-ended vehicle. Accordingly, Shareholders will have no right to have their New DGN Shares repurchased at any time. Shareholders wishing to realise their investment in DGN may therefore be required to dispose of their New DGN Shares in the market. Although the New DGN Shares will be listed on the Official List and admitted to trading on the Premium Segment of the Main Market, there can be no guarantee that a liquid market in the New DGN Shares will exist or be maintained. Accordingly, Shareholders may be unable to realise their New DGN Shares at the quoted market price (or at the prevailing net asset value per New DGN Share).

The price of shares in an investment trust is determined by the interaction of supply and demand for such shares in the market as well as the net asset value per share. The share price can therefore fluctuate and may represent a discount or premium to the net asset value per DGN Share. This discount or premium is itself variable as conditions for supply and demand for New DGN Shares change. This can mean that the DGN Share price can fall when the net asset value per share rises, or vice versa.

Shareholders are strongly urged to read the section containing the risk factors in the DGN Prospectus.

Taxation

Representations in this document relating to the taxation of Shareholders are based on current UK taxation law and HMRC published practice, which are subject to change (possibly with retrospective effect). The information in this document relating to UK taxation law and HMRC published practice is given by way of general summary and does not constitute legal or tax advice to Shareholders. The Board has been advised that the Scheme should be treated as a scheme of reconstruction for the purposes of UK taxation of capital gains. Clearance has been granted by HMRC under section 138 of the TCGA that section 136 of the TCGA will not be prevented from applying to the Scheme by virtue of section 137(1) of the TCGA. HMRC has also advised that no counteraction notice under section 698 of the Income Tax Act 2007 or under section 746 of the Corporation Tax Act 2010 should be served in respect of the transaction.

However, a subsequent disposal of DGN Shares may constitute a disposal for UK tax purposes and may, depending on a Shareholder's particular circumstances, give rise to a liability to UK taxation.

The Directors have been advised that the proposed method of winding up the Company and the scheme of reconstruction is such that the Company should remain eligible to be treated as an investment trust for the accounting period which includes the date on which its assets are sold and/or transferred by the Liquidators pursuant to the Transfer Agreement. Accordingly, the transfer of the Company's assets held within the Rollover Pool and the realisation of the Company's assets held within the Cash Pool and the Liquidation Pool under the Scheme should not give rise to a liability to UK corporation tax for the Company. However, there can be no absolute assurance that investment trust status will be preserved and the absence of such status in any accounting period would mean the Company would be liable to pay UK corporation tax on its chargeable gains (net of allowable losses) in that period.

PART 5 – FURTHER INFORMATION ON DGN

Any investment in DGN will be governed by the DGN Prospectus which will be available on 22 September 2023 at www.asiadragontrust.co.uk. Accordingly, Shareholders are required to read the DGN Prospectus (from which the information in this Part 5 has been extracted) and in particular the risk factors contained therein prior to deciding whether or not to make an Election for any DGN Shares. Neither the Board (other than those Directors who are expected to join the DGN Board on the Effective Date) nor the Company takes any responsibility for the contents of the DGN Prospectus.

INTRODUCTION AND HISTORY

DGN is a closed-ended investment company incorporated on 12 August 1987 in Scotland with registered number SC106049 and registered as an investment company under section 833 of the Companies Act. The Company is an alternative investment fund or “AIF” for the purposes of the UK AIFMD Laws and the EU AIFM Directive. The Company carries on business as an investment trust within the meaning of Chapter 4 of Part 24 of the Corporation Tax Act 2010, as amended.

DGN’s ordinary shares were first admitted to trading on the Premium Segment of the Main Market of the London Stock Exchange on 7 September 1987. As at the date of the DGN Prospectus, DGN has 113,425,040 Ordinary Shares in issue, with a market capitalisation of £402,658,892 and a net asset value of £481,999,707.

MARKET OUTLOOK

China’s economic recovery in 2023 has been slower than had been expected by the DGN 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 DGN Investment Manager believes that this should help to address some of the uncertainty surrounding the property sector and consumer confidence.

The DGN 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 DGN 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, DGN has an overweight position in India.

The DGN 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 DGN 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 Asia Dragon 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.

INVESTMENT STRATEGY

The DGN Directors are responsible for determining DGN’s investment objective and policy. DGN has appointed AFML as its alternative investment fund manager to provide overall portfolio and risk management services to DGN. AFML has delegated portfolio management services to the DGN Investment Manager.

The DGN 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 DGN Investment Manager having first met management, either in person, where possible, or virtually. The DGN

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 DGN's portfolio in order to enhance returns when this is considered appropriate to do so. As at 19 September 2023, DGN's net gearing was 7.8 per cent. Assuming the Scheme is implemented, Shareholders utilise the full 25 per cent. exit offered under the Cash Option and that the DGN Board requests a further drawdown under the DGN revolving credit facility, it is expected that DGN's net gearing immediately following implementation of the Scheme will be 7.4 per cent.

ASIA DRAGON'S PERFORMANCE TRACK RECORD

In pursuit of Asia Dragon's investment objective, the DGN Directors consider Asia Dragon's performance against the MSCI AC Asia ex-Japan Index (the "**Benchmark**") over a long-term horizon. The table below sets out Asia Dragon's annualised performance relative to the Benchmark over the five year period to 31 August 2023. The performance of DGN'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 DGN's cumulative performance figures over the longer-term. The DGN Board monitors performance continuously and closely with the DGN Investment Manager in order to understand the drivers behind relative performance (both underperformance and outperformance) and actions being taken by the DGN Investment Manager in light of that.

Annual performance

12 months to:	31 August	31 August	31 August	31 August	31 August
	2023 (%) ⁽¹⁾	2022 (%)	2021 (%)	2020 (%)	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. Data. 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.

THE DGN PORTFOLIO

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

DGN's portfolio was 108 per cent. invested in listed equities as at 19 September 2023.

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

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

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 DGN'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
Philippines	2.7	Materials	3.7
Indonesia	2.3	Real Estate	2.6
Macao	1.5	Utilities	2.0
Netherlands	0.9		

The enlarged DGN's portfolio will, following the Scheme becoming effective, constitute a combination of DGN's portfolio and the investments and cash apportioned to the Rollover Pool that will transfer to DGN 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 DGN's portfolio, are not known at the date of this document. However, it is expected that while relative country weights for most of the enlarged DGN's portfolio will be broadly similar, the enlarged DGN's portfolio will have greater exposure to Australasia and collective investment vehicles than is currently the case, reflecting such exposures within the Company's portfolio and DGN's proposed new investment policy, if approved.

ESG POLICY

DGN 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 DGN 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 DGN Investment Manager believes that deep, on the ground, ESG resources and expertise enables the DGN Investment Manager to glean insights from company visits and obtain an ESG information advantage.

As at 14 September 2023, DGN'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, Asia Dragon's relative carbon intensity (Scope 1 and 2) was 60 per cent. of its Benchmark.

The DGN 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 DGN Investment Manager's ESG integration approach.

1. **Idea generation:** Understanding themes and dynamics inherent in sectors, countries, and companies, the DGN 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 DGN Investment Manager can create investment opportunities.
3. **Buy / sell:** At this stage, the DGN 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 DGN Investment Manager has in the company, the more of that company the DGN 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 DGN Investment Manager continues discussing ESG issues with senior management of investee companies over the course of DGN's investment. Through constructive challenge and debate around ESG strategy and execution, the DGN Investment Manager aims to protect and enhance the value of DGN's investments and, in doing so, foster sustainable shareholder returns.

INVESTMENT OBJECTIVE AND INVESTMENT POLICY

The current investment objective and policy of DGN are as follows:

Investment objective

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

Investment policy

DGN'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. DGN invests in a diversified range of sectors and countries. Investments are not limited as to market capitalisation, sector or country weightings within the region.

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

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

DGN does not currently utilise derivatives but keeps this under review.

PROPOSED INVESTMENT OBJECTIVE AND POLICY

As part of the Proposals, the DGN Board will propose certain amendments to DGN's investment objective and policy. The proposed amendments to DGN's investment objective and policy will, *inter alia*, allow for investment in Australasia in order to provide DGN's management team with greater geographic flexibility, which is in-line with the scope of the geographic exposure in the Company's investment policy. In addition, other modernising and clarificatory amendments will also be proposed. DGN's existing benchmark comparative index (MSCI AC Asia ex-Japan Index) will be retained. The portfolio managers of the enlarged DGN will be Prukha Iamthongthong and James Thom.

If DGN Shareholders approve the Proposals at the DGN General Meeting, the investment objective and investment policy of DGN going forward will be as follows:

Proposed investment objective

DGN 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

DGN's assets are invested principally in a diversified portfolio of public securities in companies that are incorporated, domiciled or listed in the Investment Region. DGN 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.

DGN 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 DGN's investment.

DGN 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, DGN may also, 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

DGN'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, DGN 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, DGN will itself not invest more than 15 per cent. of its gross assets in other listed closed-ended investment funds.

Gearing

DGN may deploy gearing to seek to enhance long-term capital growth. DGN may be geared through bank borrowings, the use of derivative instruments that have the effect of gearing DGN's portfolio, and any such other methods as the DGN Board may determine. Gearing will not exceed 20 per cent. of DGN'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 DGN Board, DGN 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, DGN does not intend to utilise derivatives or other financial instruments to increase DGN'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.

Material breach of investment policy and/or investment restrictions

In the event of any material breach of the investment policy and/or restrictions applicable to DGN, DGN Shareholders will be informed of the actions to be taken by the DGN Investment Manager through a Regulatory Information Service.

DIVIDEND POLICY

DGN does not have any formal policy to achieve any specified level of dividend. DGN conducts its business so as to satisfy the conditions to retain approval as an investment trust under section 1158 of the Corporation Tax Act 2010. In accordance with regulation 19 of the Investment Trust (Approved Company) (Tax) Regulations 2011, DGN 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 DGN Board may resolve to pay dividends on the DGN Shares from time to time in order to comply with these requirements.

In general, DGN pays one final dividend in respect of each financial year (usually payable in December each year). For the avoidance of doubt, Shareholders receiving New DGN Shares under the Scheme will not, in respect of those New DGN Shares, be entitled to the dividend payable by DGN in respect of its financial year ended 31 August 2023.

PERFORMANCE-RELATED CONDITIONAL TENDER OFFER AND CONTINUATION VOTE

DGN offers a five-yearly performance related Conditional Tender with the current performance period running from 1 September 2021 to 31 August 2026. In the light of the Proposals and the expected increase in the size of DGN, and conditional on the Scheme being implemented, the DGN Board has resolved that, in the event DGN underperforms the Benchmark over the current performance period and a Conditional Tender is triggered, DGN will offer shareholders the opportunity to tender up to 15 per cent. of the issued share capital (excluding treasury shares) of the enlarged DGN under such Conditional Tender. The size of any Conditional Tender 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 DGN (excluding treasury shares).

DGN does not have a fixed life, but DGN Shareholders are given the opportunity to vote on the continuation of DGN at every fifth annual general meeting, with the next continuation vote to be put forward at the annual general meeting in December 2026.

SHARE REPURCHASES

In addition to the operation of the Conditional Tender set out above, the discount level of the DGN Shares is closely monitored by the DGN Board, AFML and the DGN Investment Manager and on-market share buybacks are undertaken where appropriate. The DGN Directors may consider utilising the authority to undertake share buy backs:

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

The timing, price and volume of any buyback of shares will be at the absolute discretion of the DGN Directors and is subject to DGN 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 DGN may be cancelled or held in treasury (or a combination of both). Any DGN Shares held in treasury may be subsequently cancelled or sold for cash. The sale of DGN 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.

MANAGEMENT FEES AND ONGOING EXPENSES

DGN also incurs ongoing expenses. A summary of the key terms of the ongoing expenses, which are borne by DGN are set out below, as are those ongoing expenses which are not readily quantifiable.

Management Fee

AFML has agreed to make a contribution to the costs of implementing the Scheme by means of a waiver of the management fee otherwise payable by DGN to AFML. The fee reduction will constitute a waiver of the management fee that would otherwise be payable by DGN to AFML in respect of the assets transferred by the Company to DGN 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 such management agreement) within three years from the Effective Date of the Scheme, failing which the enlarged DGN 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 DGN 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.

AFML has agreed that, subject to implementation of the Scheme with effect from Admission, the management fee payable by the enlarged DGN will be reduced to 0.75 per cent. on the initial £350 million of net assets, reducing to 0.5 per cent. on net assets in excess of £350 million. This is a reduction from the existing DGN management fee of 0.85 per cent. on the initial £350 million of net assets, reducing to 0.5 per cent. on net assets in excess of £350 million. For the purposes of the calculation of the management fee, the DGN NAV excludes: (i) the value of any investment funds managed by the DGN AIFM; and (ii) 50 per cent. of the value of any investment funds managed or advised by investment managers other than the AIFM. Asia Dragon has holdings in Aberdeen Standard Liquidity Fund (Lux) – Sterling Fund, which is managed and administered by abrdn plc. DGN 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.

Promotional Fee

DGN 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.

Directors

Each of the DGN Directors is entitled to receive a fee from DGN at such rate as may be determined in accordance with its articles. As at the date of the DGN 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 £37,500 per annum, Charlie Ricketts, as Senior Independent Director, is entitled to receive £33,600 per annum and all other Directors (including the Proposed DGN Directors once they have been appointed to the Board) are entitled to receive £32,000 per annum.

All of the DGN 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 and legal fees. If the DGN Board requests one or more of the DGN Directors to perform services outside of those considered to be ordinary course on behalf of Asia Dragon, the DGN Board may determine that additional remuneration may be paid to the director or directors.

Depository and Custodian fees

DGN has appointed BNP Paribas Trust Corporation UK Limited as DGN's depository and custodian under the AIFMD. The DGN Depository is responsible for, amongst other things, the safe keeping of DGN's assets. The DGN Depository has arranged for the safe keeping of DGN's financial instruments to be held and settled (directly or through sub-custodians) all transactions relating to those financial instruments on behalf of DGN. The DGN Depository reports to the DGN audit committee at least annually, including on DGN's compliance with AIFMD. A summary of the depository agreement is set out in paragraph 11.2 of Part 7 of DGN's Prospectus.

Under the terms of the depository agreement (as supplemented from time to time), the DGN Depository 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 DGN. Transaction based fees are also payable. 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 with Equiniti, the DGN registrar is entitled to an annual maintenance fee per DGN Shareholder account. The DGN registrar is entitled to vary these fees no more than once per calendar year on agreement with DGN. In doing so, the DGN 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 the DGN Prospectus, such fees amounted to approximately £25,500.

Other operational expenses

Other ongoing operational expenses that are borne by Asia Dragon 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 DGN 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 DGN's financial reports and posting them to DGN Shareholders.

Asia Dragon'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 DGN'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 the DGN Prospectus).

DGN 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 DGN Shares.

BOARD

The current DGN 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 DGN'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 DGN'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 expert 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 DGN's Remuneration Committee and is the Senior Independent Director. 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.

It is intended that, following completion of the Scheme, Donald Workman, Stephen Souchon and Nicole Yuen (each a Director of the Company) will be appointed as non-executive Directors of DGN. As such the board of the enlarged DGN will initially consist of eight directors, comprising the five current directors and the three directors from the Company. 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 of the enlarged DGN be reduced to five directors, with Donald Workman, Charlie Ricketts and Gaynor Coley expected to retire from the DGN Board at that time.

Each of the prospective directors are independent of the AIFM and the DGN Investment Manager. The Proposed DGN 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 the 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.

PORTFOLIO MANAGERS

Portfolio managers

DGN's current portfolio managers are Adrian Lim and Pruksa lamthongthong. Adrian Lim is retiring from the DGN Investment Manager on 30 September 2023, after which the portfolio managers of Asia Dragon will be Pruksa lamthongthong and James Thom (who is currently co-manager of the Company).

Pruksa lamthongthong

Pruksa joined abrdn Asia in 2007 and became co-manager to Asia Dragon 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.

Pruksa 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 abrdn 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 abrdn and became co-manager of the Company 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.

GENERAL

Further details of Asia Dragon and the New DGN Shares are set out in the DGN Prospectus. Shareholders are strongly recommended to read the DGN Prospectus before making an Election.

PART 6 – ADDITIONAL INFORMATION

1 TRANSFER AGREEMENT

Provided that the Scheme is approved by Shareholders and becomes effective, the Company (acting by the Liquidators) will enter into the Transfer Agreement with the Liquidators and DGN pursuant to the Scheme. The Transfer Agreement is, as at the date of this document, in a form agreed between the Company, the Liquidators and DGN. The Transfer Agreement provides for the transfer of the cash, undertaking and other assets of the Company comprising the Rollover Pool to DGN (or its nominee), for the benefit of DGN, in consideration for the allotment of New DGN Shares to the Liquidators (as nominees for the Shareholders entitled to them).

Thereafter, the Liquidators will renounce the allotments of New DGN Shares in favour of Shareholders and such New DGN Shares will be issued by DGN to such Shareholders pursuant to the Scheme. The Transfer Agreement excludes certain liability on the part of the Liquidators for entering into or carrying into effect the Transfer Agreement, save for customary carve-outs.

The Transfer Agreement will be available for inspection as stated in paragraph 4 below.

2 DISSENTING SHAREHOLDERS

The Scheme is a reconstruction to which Section 111(2) of the Insolvency Act 1986 applies. Under Section 111(2) any Shareholder who does not vote in favour of the Scheme Resolutions to approve the Scheme to be proposed at the First General Meeting may, within seven days of the passing of the Scheme Resolutions at the First General Meeting, express his dissent in writing to the proposed Liquidators at the registered office of the Company for the attention of the proposed Liquidators. If Dissenting Shareholders validly exercise their rights under Section 111 in respect of more than 5 per cent. of, in aggregate, the issued Ordinary Share capital of the Company, the Directors have discretion under the Scheme to decide that the Scheme should not proceed. The Liquidators may, at their discretion, abstain from implementing the Scheme or else purchase the interest(s) of the Dissenting Shareholder(s). The purchase price for such Dissenting Shareholders' Ordinary Shares will not exceed that which the Dissenting Shareholder(s) would receive on a straightforward winding-up of the Company and will only be paid once all liabilities have been settled or provided for to the Liquidators' satisfaction.

3 MISCELLANEOUS

- 3.1 Panmure Gordon has given and not withdrawn its written consent to the inclusion in this document of references to its name in the form and context in which they appear.
- 3.2 The Liquidators have given and not withdrawn their written consent to the inclusion of their names and references to them in this document in the form and context in which they appear.
- 3.3 As at the close of business on 19 September 2023, the Company held 8,399,351 Ordinary Shares in treasury (representing approximately 7.4 per cent. of the issued share capital of the Company).

4 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company until the Effective Date:

- (a) the Articles (containing the full terms of the amendments proposed to be made at the First General Meeting);
- (b) the DGN Prospectus;
- (c) the DGN KID;
- (d) the DGN pre-investment disclosure document;
- (e) the DGN Articles;

- (f) the audited report and accounts of DGN for each of the financial periods ended 31 August 2022, 31 August 2021, 31 August 2020 and the unaudited interim results up to 28 February 2023;
- (g) letters of undertaking from the Liquidators and DGN to enter into the Transfer Agreement;
- (h) the Transfer Agreement, in a form agreed between the Company, the Liquidators and DGN as at the date of this document;
- (i) the letters of consent from Panmure Gordon and the Liquidators referred to in paragraphs 3.1 and 3.2 of this Part of the document, respectively; and
- (j) this document, the Form of Election, Form of Instruction the Forms of Proxy and the Letters of Direction.

The Articles (containing the full terms of the amendments proposed to be made) will be available at each General Meeting for at least 15 minutes prior to and during the relevant meeting and are available on the Company's website and at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>, from the date of this document.

22 September 2023

PART 7 – DEFINITIONS

The following definitions apply throughout this document unless the context otherwise requires:

2026 CTO	means the current performance period of the Conditional Tender, running from 1 September 2021 to 31 August 2026;
“A” rights	means the rights attaching to Shares in respect of which the holders have made or are deemed to have made valid Elections for the Rollover Option;
ABD or Company	means abrdrn New Dawn Investment Trust plc;
ABD FAV per Share	equal to the Residual Net Asset Value divided by the number of Shares in issue (excluding any Shares held in treasury) (expressed in pence) but excluding any Shares held by Dissenting Shareholders, calculated to six decimal places (with 0.0000005 rounded down);
abrdrn Fund Managers	means abrdrn Fund Managers Limited;
Admission	means the admission of the New DGN Shares to be issued pursuant to the Scheme to listing on the Official List and to trading on the Premium Segment of the Main Market of the London Stock Exchange;
AIFM or AFML	means alternative investment fund manager, being, in the case of the Company and DGN, abrdrn Fund Managers Limited;
AFML Contribution	has the meaning set out on page 45 of this document;
Annual General Meeting or AGM	means the annual general meeting of the Company convened for 2.15 p.m. on 23 October 2023 (or any adjournment thereof) notice of which is set out from page 63 of this document;
Annual Report	means the annual report of the Company for the financial year ending 30 April 2023;
Articles or Articles of Association	means the articles of association of the Company;
“B” rights	means the rights attaching to Shares in respect of which the holders have made valid Elections for the Cash Option;
Basic Entitlement	means, subject to the Scheme becoming effective in accordance with its terms, the entitlement of each 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 Ordinary Shares as at the Calculation Date, rounded down to the nearest whole share;
Benchmark	means DGN’s existing benchmark comparative index (MSCI AC Asia ex-Japan Index);
Business Day	means a day on which the London Stock Exchange is open for business;
Calculation Date	means the time and date to be determined by the Directors (but expected to be 5.00 p.m.) on 2 November 2023, at which the Company’s assets and liabilities will be determined for the creation of 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 Entitlement	means in respect of any Shareholder who elects for the Cash Option and to the extent that Election is accepted, an amount equal to such Shareholder’s entitlement to the net realisation

	proceeds of the Cash Pool pursuant to the Scheme, with entitlements being rounded down to the nearest penny;
Cash Option	means the option for Shareholders to receive cash under the terms of the Scheme, as described in this document;
Cash Option Discount	means the discount of 2 per cent. to the ABD FAV per Share, multiplied by the total number of Reclassified Shares with “B” rights, at which the Cash Option is offered under the Scheme;
Cash Pool	means the pool of assets attributable to the Reclassified Shares with “B” rights;
Cash Pool NAV	means the Cash Pool NAV per Share multiplied by the total number of Reclassified Shares with “B” rights;
Cash Pool NAV per Share	shall be equal to the ABD FAV per Share less a discount of 2 per cent. (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down);
certificated or in certificated form	means a share that is not in uncertificated form;
Chairman	the chairman of the Company;
CoL	means City of London Investment Management Limited;
CoL Undertaking	has the meaning set out on page 27 of this document;
Companies Act	the Companies Act 2006, as amended from time to time;
Company Secretary	means abrdn Holdings Limited;
Conditional Tender	means the DGN five-yearly performance related conditional tender;
Continuation Vote	means the vote on the continuation of DGN at every fifth annual general meeting of DGN;
Conversion Ratio	shall be equal to the ABD FAV per Share (as at the Calculation Date) divided by the DGN FAV per Share (as at the Calculation Date), calculated to six decimal places (with 0.0000005 rounded down);
CREST	means the computerised settlement system operated by Euroclear which facilitates the transfer of title to shares in uncertificated form;
CREST Manual	means the compendium of documents entitled “CREST Manual” issued by Euroclear from time to time;
DGN	means Asia Dragon Trust plc;
DGN AIFM	means abrdn Fund Managers Limited;
DGN Articles	means the articles of association of DGN;
DGN Board or DGN Directors	means the board of directors of DGN;
DGN Depository	means BNP Paribas Trust Corporation UK Limited;
DGN FAV	means the DGN NAV as at the Calculation Date in accordance with its normal accounting policies, on a cum-income basis as adjusted for debt calculated at fair value post the costs of the Proposals and adjusted to exclude any dividends declared but not paid prior to the Effective Date by DGN to DGN Shareholders;
DGN FAV per Share	means the DGN FAV divided by the number of DGN Shares in issue (excluding treasury shares) at the Calculation Date (expressed in pence) and calculated to six decimal places (with 0.0000005 rounded down);

DGN General Meeting	means the general meeting of DGN convened for 2.00 p.m. on 25 October 2023 (or any adjournment thereof);
DGN Investment Manager	means abrdn Asia Limited, a Singaporean company with its registered office at Marina One East Tower, 7 Straits View, #23-04, Postal 0189366;
DGN KID	means the key information document prepared in accordance with the PRIIPs Regulation in relation to the DGN Shares;
DGN Prospectus	means the prospectus dated on or around 22 September 2023 relating to the issue of New DGN Shares pursuant to the Scheme;
DGN Resolutions	means the ordinary resolutions to be proposed at the DGN general meeting in respect of the issue of the New DGN Shares and the approval of the investment policy change, or any of them as the context may require;
DGN Shareholders	means holders of shares in DGN;
DGN Shares	means the ordinary shares of 20 pence each in the capital of DGN;
Directors or Board	means the directors of the Company;
Dissenting Shareholder	means a Shareholder who has validly dissented from the Scheme pursuant to section 111(2) of the Insolvency Act;
Effective Date	means the date on which the Scheme becomes effective, which is expected to be 8 November 2023;
Election	means the choice made by a Shareholder for the Rollover Option and/or the Cash Option pursuant to the Scheme (including, where the context so permits, a deemed choice for the Rollover Option) and any reference to “elect” or “election” shall, except where the context requires otherwise, mean “elect, or deemed to elect” or “election or deemed election”, respectively;
Eligible US Shareholder	means a US Shareholder that has validly executed a US Investor Representation Letter;
ESG	means environmental, social and governance;
Euroclear	means Euroclear UK and International Limited in its capacity as the operator of CREST;
EUWA	means the European Union (Withdrawal) Act 2018, as amended;
EU AIFM Directive	means 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 AIFM Delegated Regulation	means 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;
Excess Application	means that portion of an Election by a Shareholder for the Cash Option that exceeds that Shareholder's Basic Entitlement;
Excluded Shareholders	means Overseas Shareholders and Sanctions Restricted Persons;
FAV	means formula asset value;

Financial Conduct Authority or FCA	means the United Kingdom Financial Conduct Authority or any successor entity or entities;
First General Meeting	means the general meeting of the Company convened for 2.00 p.m. on 23 October 2023 (or any adjournment thereof) notice of which is set out from page 58 of this document;
Form of Election	means the form of election for use by Shareholders holding their Ordinary Shares directly as principal, which accompanies this document;
Form of Instruction	means the form of instruction for use by the Shareholders who hold their Ordinary Shares through a Share Plan, which accompanies this document;
Forms of Proxy	means the personalised forms of proxy for use by Shareholders in connection with the General Meetings and the Annual General Meeting;
FSMA	means the Financial Services and Markets Act 2000, as amended;
General Meeting	means the First General Meeting or the Second General Meeting, as the context may require and “ General Meetings ” means the First General Meeting and the Second General Meeting;
HMRC	means HM Revenue & Customs;
Ineligible US Shareholder	means a US Shareholder that does not sign and return a valid US Investor Representation Letter to the Receiving Agent;
Insolvency Act	means the Insolvency Act 1986, as amended;
Investment Manager	means abrdn Asia Limited;
ISA	means an individual savings account maintained in accordance with the UK Individual Savings Account Regulations 1998, as amended from time to time;
Latest Practicable Date	means 19 September 2023, being the latest practicable date prior to publication of this document;
Letters of Direction	means the letters of direction for use by the Shareholders who hold their Shares through a Share Plan, at the First General Meeting, the Annual General Meeting and/or the Second General Meeting, as the context requires, which accompany this document for such Shareholders;
Liquidation Pool	means the pool of cash and other assets to be retained by the Liquidators to meet all known and unknown liabilities of the Company and other contingencies, as further provided in paragraph 3.2 of Part 3 of this document;
Liquidators	means the liquidators of the Company being, initially, the persons appointed jointly and severally upon the resolution to be proposed at the Second General Meeting becoming effective;
Listing Rules	means the listing rules made by the Financial Conduct Authority under FSMA;
London Stock Exchange or LSE	means London Stock Exchange plc;
NAV or net asset value	means the gross assets of the Company or DGN, as appropriate, less its liabilities (including provision for such liabilities) determined by the relevant board of directors in their absolute discretion in accordance with accounting principles adopted by that company;

New DGN Shares	means the ordinary shares of 20 pence each in the capital of DGN to be issued to certain Shareholders pursuant to the Scheme;
Official List	means the official list maintained by the Financial Conduct Authority;
Ordinary Shares or Shares	means ordinary shares of 5 pence each in the capital of the Company;
Overseas Shareholder	means a 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;
Panmure Gordon	means Panmure Gordon (UK) Limited;
PRIPs Regulation	means 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 and its implementing and delegated acts, as they form part of the domestic law of the United Kingdom by virtue of the EUWA;
Proposals	means the proposals for the members' voluntary liquidation and scheme of reconstruction of the Company, as set out in this document;
Proposed DGN Directors	means Donald Workman, Stephen Souchon and Nicole Yuen;
QIB	means a "qualified institutional buyer", as defined in Rule 144A of the US Securities Act;
Qualified Purchaser	means as "qualified purchaser" as defined in Section 2(a)(51)(A) of the US Investment Company Act;
Reclassified Shareholders	means holders of Reclassified Shares;
Reclassified Shares	means Shares with "A" or "B" rights arising as a result of the Proposals;
Record Date	means close of business on 1 November 2023 (or such other date as determined at the sole discretion of the Directors), being the record date for determining Shareholders' entitlements under the Proposals;
Receiving Agent or Registrar	means Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA;
Register	means the register of members of the Company;
Regulatory Information Service or RIS	means the regulatory information service provided by the London Stock Exchange;
Relevant Time	has the meaning given to it in paragraph 4.1 of Part 3 of this document;
Residual Net Asset Value	shall be equal to the gross assets of the Company 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 Shareholders) and adjusted for any dividends declared by the Company;
Resolutions	means the ordinary and special resolutions to be proposed at the Annual General Meeting or any of them as the context may require;
Rollover Option	means the option for Shareholders to elect to receive New DGN Shares under the terms of the Scheme, as described in this document;

Rollover Pool	means the pool of cash and other assets to be established under the Scheme to be transferred to DGN pursuant to the Transfer Agreement;
Sanctions Authority	<p>means each of:</p> <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 <p>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;</p>
Sanctions Restricted Person	<p>means each person or entity:</p> <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 hereof 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 hereof 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 (c) the current "Consolidated list of financial sanctions targets in the UK" (which as at the date hereof can be found at: https://ofsistorage.blob.core.windows.net/publishlive/2022format/ConList.html); or (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 hereof 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 (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	means the proposed scheme of reconstruction of the Company under Section 110 of the Insolvency Act 1986, as set out in Part 3 of this document;
Scheme Conditions	means those conditions set out in paragraph 14 of Part 3 of this document;
Scheme Resolutions or Scheme Resolution	means the special resolutions to be proposed at the General Meetings or any of them as the context may require;

SEC	Means the United States Securities and Exchange Commission;
SDRT	means UK stamp duty reserve tax;
Second General Meeting	means the general meeting of the Company convened for 10.00 a.m on 8 November 2023 (or any adjournment thereof) notice of which is set out from page 70 of this document;
Shareholders	means holders of Ordinary Shares;
Share Plan or Share Plans	means the abrdn Share Plan, the abrdn Investment Plan for Children and the abrdn Investment Trusts ISA;
Sterling or £	means Pounds Sterling, the lawful currency of the UK;
TCGA	means the UK Taxation of Chargeable Gains Act 1992;
Transfer Agreement	means the agreement for the transfer of assets from the Company to DGN and the sale of assets by the Company to DGN pursuant to the Scheme, a summary of which is set out in paragraph 1 of Part 6;
TTE Instruction	means transfer to escrow instruction (as described in the CREST Manual);
UK	means the United Kingdom of Great Britain and Northern Ireland;
UK AIFMD Laws	<ul style="list-style-type: none"> (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 EUWA, as further amended and supplemented from time to time;
uncertificated or in uncertificated form	means recorded on the Register as being held in uncertificated form in CREST and title to which, by virtue of the Regulations, may be transferred by means of CREST;
US Exchange Act	means the U.S. Exchange Act of 1934, as amended;
US Investor Representation Letter	means the representation letter that can be completed by US Shareholders that are QIBs;
US Investment Company Act	means the U.S. Investment Company Act of 1940, as amended;
US Person	means a “US person” as defined in Regulation S under the US Securities Act;
US Securities Act	means the U.S. Securities Act of 1933, as amended;
US Shareholder	means a Shareholder that is a US Person; and
VAT	means UK value added tax.

NOTICE OF FIRST GENERAL MEETING

abrdrn New Dawn Investment Trust plc (the "Company")

(Incorporated in England and Wales with registered number 02377879 and registered as an investment company under Section 833 of the Companies Act 2006)

Notice is hereby given that a General Meeting of the Company will be held at 2.00 p.m. on 23 October 2023 at the offices of Dentons UK and Middle East LLP, 1 Fleet Place, London EC4M 7WS for the purpose of considering and, if thought fit, passing the following resolutions, both of which will be proposed as special resolutions:

Special resolutions

1 THAT:

- 1.1 with effect from the date on which the amendment to the Official List of the Financial Conduct Authority to reflect the reclassification of the ordinary shares of 5 pence each in the capital of the Company (the "**Shares**") (the "**Amendment**") becomes effective but subject always to paragraph 1.5 of this resolution, each of the Shares in issue at the date of the passing of this resolution (other than any Shares held by the Company in treasury) shall be reclassified as shares with "A" rights or shares with "B" rights as the case may be (the "**Reclassified Shares**"), in such respective numbers as may be required to give effect to any election validly made (or deemed to have been made) by the holders of the Shares and otherwise in accordance with the terms of the Scheme set out in Part 3 of the circular to Shareholders of the Company dated 22 September 2023 (the "**Circular**"), a copy of which has been laid before the meeting and signed for the purpose of identification by the Chairman of the meeting;
- 1.2 for the purposes of this special resolution:
 - (a) to the extent any holder of Shares shall have validly elected (or shall be deemed to have validly elected) to receive New DGN Shares, such Shares shall be reclassified as shares with "A" rights; and
 - (b) to the extent any holder of Shares shall have validly elected (or shall be deemed to have validly elected) to receive cash pursuant to the Cash Option, such Shares shall be reclassified as shares with "B" rights;
- 1.3 each of the holders of the shares with the rights set out in paragraph 1.2 above shall have the respective rights set out in the Articles of Association of the Company as amended by this special resolution;
- 1.4 with effect from the date on which the Amendment becomes effective, but subject always to paragraph 1.5 of this resolution, the Articles of Association be and are hereby amended by:
 - (a) the insertion of the following as a new Article 5.2:

"Every reference in these Articles to shares shall be construed as a reference to the ordinary shares of 5 pence each in the capital of the Company which are designated as shares with either "A" rights or "B" rights as set out in Article 5.3 below. Notwithstanding anything to the contrary in these Articles, each class of share will have attached to it the respective rights and privileges and be subject to the respective limitations and restrictions set out in Article 5.3."
 - (b) the insertion of the following as a new Article 5.3:

*"Words and expressions defined in the circular to shareholders of the Company dated 22 September 2023 (the "**Circular**") shall bear the same meanings in this Article 5.3, save where the context otherwise requires:*

The rights attaching to the shares with "A" rights and the shares with "B" rights shall be identical to each other, save that in a winding up of the Company for the purposes of the reconstruction set out in the Circular, notwithstanding anything to the contrary in these Articles:

 - (1) *the rights of holders of Shares with "A" rights in respect of the assets of the Company shall be satisfied by the issue to the holders thereof of the number of New DGN Shares to which they shall be entitled in accordance with the Scheme*

together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme;

(2) the rights of holders of Shares with “B” rights in respect of the assets of the Company shall be satisfied by the payment to the holders thereof of the amount of cash to which they shall respectively be entitled in accordance with the Scheme together with their entitlement to any Relevant Cash (as defined below) in accordance with the Scheme; and

(3) any cash arising in the Company after the transfer of the Rollover Pool (“**Relevant Cash**”) and any surplus remaining in the Liquidation Pool shall be distributed in accordance with the Scheme”: and

(c) such further amendments to the Articles of Association of the Company as may be required to give effect to this Resolution;

1.5 if the Scheme does not become unconditional by the end of the Second General Meeting, the amendments to the Articles of Association effected by paragraph 1.4 of this Resolution shall be further amended such that the insertion of new Article 5.2 and the insertion of new Article 5.3 shall cease to have effect as from the close of that meeting (or any adjourned meeting), the reclassification of Shares provided for by this Resolution shall be reversed and each Reclassified Share shall revert to being a Share ranking *pari passu* in all respects; and

1.6 the terms defined in the Circular have the same meanings in this special resolution.

2 THAT:

subject to: (i) the passing of resolution 1 above at this meeting (or at any adjournment hereof) and it becoming unconditional; (ii) the Scheme becoming unconditional in accordance with its terms on or prior to 30 November 2023; and (iii) the passing at a general meeting of the Company convened for 10.00 a.m. on 8 November 2023 (or any adjournment thereof) of a resolution for the voluntary winding-up of the Company and the appointment of the Liquidators:

2.1 the Scheme set out in Part 3 of the circular to Shareholders of the Company dated 22 September 2023 (the “**Circular**”), a copy of which has been laid before the meeting and signed for the purpose of identification by the Chairman of the meeting, be and is hereby approved and the liquidators of the Company when appointed (jointly and severally the “**Liquidators**”) be and hereby are authorised to implement the Scheme and to execute any document and do anything for the purpose of carrying the Scheme into effect;

2.2 the Liquidators, when appointed, will be and hereby are authorised and directed:

2.2.1 under this special resolution and the Articles of Association of the Company, as amended and as provided in resolution 1 above, and pursuant to section 110 of the Insolvency Act 1986, to enter into and give effect to the Transfer Agreement (in their personal capacity and on behalf of the Company) referred to in the Circular with DGN and in the form of the draft laid before the meeting and signed for the purpose of identification by the Chairman of the meeting with such amendments as the parties thereto may from time to time agree;

2.2.2 to request that, in accordance with the Scheme, DGN issue and distribute New DGN Shares to the holders of Shares to which such holders of Shares are entitled in accordance with the Scheme (or to the Liquidators as nominees on their behalf) by way of satisfaction and discharge of their respective interests in as much of the property and assets of the Company as will be so transferred to DGN in accordance with the Transfer Agreement and with the Scheme;

2.2.3 to procure that the Rollover Pool be vested in DGN (or its nominees) on and subject to the terms of the Transfer Agreement;

2.2.4 to realise for cash the undertaking, cash and other assets comprising the Cash Pool;

2.2.5 to distribute cash among the holders of Shares with “B” rights by way of satisfaction and discharge of their interests in so much of the Company as shall comprise the Cash Pool in accordance with the Scheme;

2.2.6 to convert into cash any assets in the Liquidation Pool and to raise the money to purchase the interest of any member who validly dissents from this resolution under Section 111(2) of the Insolvency Act 1986 from the Liquidation Pool (as defined in the Scheme);

2.2.7 to transfer any surplus in the Liquidation Pool in accordance with the Scheme; and

2.2.8 to apply for the admission of the Shares to the premium segment of the Official List and to trading on the main market of the London Stock Exchange's market for listed securities to be cancelled with effect from such date as the Liquidators may determine;

2.3 the Articles of Association of the Company be and are hereby amended by the insertion of the following as a new article 121.2:

*"Notwithstanding the provisions of these Articles, upon the winding-up of the Company in connection with the scheme (the "**Scheme**") set out in Part 3 of the circular to shareholders of the Company dated 22 September 2023 (the "**Circular**"), the liquidators of the Company will give effect to the Scheme and will enter into and give effect to the transfer agreement with DGN (as duly amended where relevant), a draft of which was tabled at the general meeting of the Company convened for 2.00 p.m. on 23 October 2023 by a notice attached to the Circular, in accordance with the provisions of this Article and Articles 5.2 and 5.3 and the holders of Ordinary Shares will be entitled to receive New DGN Shares and/or cash, in each case in accordance with the terms of the Scheme. The definitions in the Circular have the same meanings in this Article 121.2, save where the context otherwise requires.";* and

2.4 the terms defined in the Circular have the same meanings in this special resolution.

By Order of the Board

abrdn Holdings Limited
Company Secretary

Registered office:
280 Bishopsgate
London
EC2M 4AG

Dated: 22 September 2023

Notes:

These notes should be read in conjunction with the notes on the Form of Proxy.

1. Voting record date

Only members registered in the Register of Members of the Company at close of business on 19 October 2023 or, if the General Meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to vote at the General Meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the General Meeting.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

2. Rights to attend and vote

A PINK Form of Proxy is enclosed with this notice. To be valid, the PINK Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or notarially certified copy of such power or authority) must be deposited with the Registrar not later than 2.00 p.m. on 19 October 2023.

Completion and return of the PINK Form of Proxy will not preclude Shareholders from attending and voting at the meeting, if they wish.

3. Right to appoint proxies

Pursuant to Section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

Shareholders are encouraged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf.

Section 324 does not apply to persons nominated to receive information rights pursuant to Section 146 of the Companies Act 2006. Persons nominated to receive information rights under Section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with Section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated

to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements. The statement of rights of Shareholders in relation to the appointment of proxies does not apply to nominated persons.

4. Proxies' rights to vote at the General Meeting

On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll, all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, Section 285(4) of the Companies Act does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

Voting on all resolutions will be conducted by way of a poll.

As soon as practicable following the meeting, the results of the voting will be announced via a regulatory information service and also placed on the Company's website, www.newdawn-trust.co.uk.

5. Voting by corporate representatives

A corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf, all of its powers as a Shareholder, provided that they do not do so in relation to the same shares. However, members should note that corporate representatives are not expected to be able to attend the General Meeting.

6. Receipt and termination of proxies

To be valid the enclosed Form of Proxy must be lodged with the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and in any event so as to arrive by not later than 2.00 p.m. on 19 October 2023. We strongly encourage you to appoint the Chairman of the meeting as your proxy.

A member may terminate a proxy's authority at any time before the commencement of the General Meeting. Termination must be provided in writing and submitted to the Company's Registrar. In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

Alternatively, you may appoint a proxy or proxies online at www.sharevote.co.uk. In order to appoint a proxy using this website, you will need your Voting ID, Task ID and Shareholder Reference Number, printed on the face of the accompanying form of proxy. Full details of the procedures are noted on the website. Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk using their user ID and password. Once logged in, click "View" on the "My Investments" page, click on the link to vote and then follow the on-screen instructions.

We strongly encourage you to appoint the Chairman of the meeting as your proxy electronically. Electronic proxy appointments must also be received by the Company's Registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA no later than 48 hours before the time appointed for the meeting (excluding weekends and public holidays) or any adjournment of the meeting. Proxies received after that date will not be valid. Any electronic communication found to contain a computer virus will not be accepted.

7. Communication with the Company

Members may not use any electronic address provided either in the notice of meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

8. Electronic receipt of proxies

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number RA19) no later than the deadline specified in Note 6. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. Instructions on how to vote through CREST can be found on the website www.euroclear.com.

9. Questions at the General Meeting

Any member attending the General Meeting has the right to ask questions. Section 319A of the Companies Act requires the Directors to answer any question raised at the General Meeting which relates to the business of the General Meeting, although no answer need be given:

- (a) if to do so would interfere unduly with the proceedings of the General Meeting or involve disclosure of confidential information;
- (b) if the answer has already been given on the Company's website; or
- (c) if it is undesirable in the best interests of the Company or the good order of the General Meeting that the question be answered.

10. Website

A copy of the notice of the General Meeting, including these explanatory notes and other information required by Section 311A of the Companies Act, is included on the Company's website, www.newdawn-trust.co.uk.

11. Share Plans

There are special arrangements for holders of Shares in a Share Plan. These are explained in the Letters of Direction which such holders will have received with this Circular.

12. Total voting rights at date of notice

As at 19 September 2023, the latest practicable date before this Notice is given the Company has a total of 112,865,699 ordinary shares of 5p in issue of which 8,399,351 are held in treasury. The total number of voting rights in relation to the Ordinary Shares in the Company on 19 September 2023 is 104,466,348.

NOTICE OF ANNUAL GENERAL MEETING

abrdn New Dawn Investment Trust plc (the “Company”)

(Incorporated in England and Wales with registered number 02377879 and registered as an investment company under Section 833 of the Companies Act 2006)

Notice is hereby given that the thirty-fourth Annual General Meeting of the Company will be held at 2.15 p.m. on 23 October 2023 at the offices of Dentons UK and Middle East LLP, 1 Fleet Place, London EC4M 7WS for the following purposes:

Ordinary Business

As ordinary business to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. To receive and adopt the Directors’ Report and Financial Statements for the year ended 30 April 2023, together with the independent auditor’s report thereon.
2. To receive and adopt the Directors’ Remuneration Report for the year ended 30 April 2023.
3. To approve the Directors’ Remuneration Policy.
4. To re-elect Ms M Sears as a Director of the Company.
5. To re-elect Mr S Souchon as a Director of the Company.
6. To re-elect Mr D Workman as a Director of the Company.
7. To re-elect Mr H Young as a Director of the Company.
8. To re-elect Ms N Yuen as a Director of the Company.
9. To reappoint Johnston Carmichael LLP as Auditor of the Company.
10. To authorise the Directors to determine the remuneration of the Auditor for the year ending 30 April 2024.

Special Business

To consider and, if thought fit, pass the following resolution which will be proposed as an ordinary resolution:

11. THAT, in substitution for any existing authority under Section 551 of the Companies Act 2006 (the “**Act**”), but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors of the Company be generally and unconditionally authorised for the purposes of the Act to allot Ordinary shares of 5p each in the Company (“**shares**”) and to grant rights (“**relevant rights**”) to subscribe for or convert any security into shares in the Company up to an aggregate nominal amount of £522,331 or, if less, the number representing 10% of the issued Ordinary share capital of the Company (excluding treasury shares) as at the date of the passing of this resolution, such authorisation to expire at the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2024 or 31 October 2024 (whichever is earlier) unless previously renewed, revoked or varied by the Company in general meeting, save that the Company may at any time before the expiry of this authorisation make an offer which would or might require shares to be allotted or relevant rights to be granted after the expiry of this authorisation and the Directors of the Company may allot shares or grant relevant rights in pursuance of any such offer or agreement as if the authorisation conferred hereby had not expired.

To consider and, if thought fit, pass the following resolutions which will be proposed as special resolutions:

12. THAT, subject to the passing of resolution 11 set out in the notice of this meeting (“**Section 551 Resolution**”) and in substitution for any existing authority under Sections 570 and 573 of the Companies Act 2006 (the “**Act**”) but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors of the Company be empowered pursuant to Sections 570 and 573 of the Act to allot equity securities (within the meaning of Section 560 of the Act) either pursuant to the authorisation conferred by the Section 551 Resolution or by way of a sale of treasury shares, in each case for cash and as if

Section 561(1) of the Act did not apply to such allotment or sale, provided that this power shall be limited to:

- a. the allotment of equity securities or sale of treasury shares (otherwise than pursuant to sub-paragraph (b) below) up to an aggregate nominal amount of £522,331 or, if less the number representing 10% of the issued Ordinary share capital of the Company (excluding treasury shares) as at the date of the passing of this resolution, at a price representing a premium to the net asset value per share at allotment or sale, as determined by the Directors of the Company; and
- b. the allotment of equity securities at a price representing a premium to the net asset value per share at allotment, as determined by the Directors of the Company, in connection with an offer to (i) all holders of Ordinary shares of 5p each in the capital of the Company in proportion (as nearly as may be) to the respective numbers of Ordinary shares held by them and (ii) to holders of other equity securities as required by the rights of those securities (but subject to such exclusions, limits or restrictions or other arrangements as the Directors of the Company may consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates or legal, regulatory or practical problems in or under the laws of, or requirements of, any regulatory body of any stock exchange in any territory or otherwise howsoever); and

such power shall expire at the earlier of the conclusion of the Annual General Meeting of the Company to be held in 2024 or 31 October 2024, but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry and the Directors of the Company may allot equity securities in pursuance of any such offer or agreement as if such expiry had not occurred.

13. THAT the Company be and is hereby generally and, subject as hereinafter appears, unconditionally authorised, in accordance with Section 701 of the Companies Act 2006 (the “**Act**”), to make market purchases (within the meaning of Section 693(4) of the Act) of fully paid Ordinary shares of 5p each in the capital of the Company (“**Ordinary shares**”) and to cancel or hold in treasury such shares, provided that:

- a. the maximum aggregate number of Ordinary shares hereby authorised to be purchased shall be an aggregate of 15,659,505 Ordinary shares or, if less, the number representing 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of this resolution;
- b. the minimum price which may be paid for an Ordinary share shall be 5p (exclusive of expenses);
- c. the maximum price (exclusive of expenses) which may be paid for an Ordinary share shall be the higher of:
 - i. 5% above the average of the market values of the Ordinary shares (as derived from the Daily Official List of the London Stock Exchange) for the Ordinary shares for the five business days immediately preceding the date of purchase; and
 - ii. the higher of the price of the last independent trade in Ordinary shares and the highest current independent bid for Ordinary shares on the London Stock Exchange; and
- d. unless previously varied, revoked or renewed, the authority hereby conferred shall expire at earlier of the conclusion of the Annual General Meeting of the Company to be held in 2024 or 31 October 2024, save that the Company may, at any time prior to such expiry, enter into a contract or contracts to purchase Ordinary shares under such authority which will or might be completed or executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract or contracts.

By Order of the Board
abrdn Holdings Limited
Company Secretary
Dated: 22 September 2023

Registered office:
280 Bishopsgate
London
EC2M 4AG

Notes

These notes should be read in conjunction with the notes on the Form of Proxy.

1. Voting record date

Only members registered in the Register of Members of the Company at close of business on 19 October 2023 or, if the Annual General Meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to vote at the Annual General Meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the Annual General Meeting.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

2. Rights to attend and vote

A WHITE Form of Proxy is enclosed with this notice. To be valid, the WHITE Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or notarially certified copy of such power or authority) must be deposited with the Registrar not later than 2.15 p.m. on 19 October 2023.

Completion and return of the WHITE Form of Proxy will not preclude Shareholders from attending and voting at the meeting, if they wish.

3. Right to appoint proxies

Pursuant to Section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

Shareholders are encouraged to appoint the Chairman of the Annual General Meeting as their proxy to vote on their behalf. Section 324 does not apply to persons nominated to receive information rights pursuant to Section 146 of the Companies Act 2006. Persons nominated to receive information rights under Section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with Section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements. The statement of rights of Shareholders in relation to the appointment of proxies does not apply to nominated persons.

4. Proxies' rights to vote at the Annual General Meeting

On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll, all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, Section 285(4) of the Companies Act does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

Voting on all resolutions will be conducted by way of a poll.

As soon as practicable following the meeting, the results of the voting will be announced via a regulatory information service and also placed on the Company's website, www.newdawn-trust.co.uk.

5. Voting by corporate representatives

A corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf, all of its powers as a Shareholder, provided that they do not do so in relation to the same shares. However, members should note that corporate representatives are not expected to be able to attend the General Meeting.

6. Receipt and termination of proxies

To be valid the enclosed Form of Proxy must be lodged with the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and in any event so as to arrive by not later than 2.15 p.m. on 19 October 2023. We strongly encourage you to appoint the Chairman of the meeting as your proxy.

A member may terminate a proxy's authority at any time before the commencement of the General Meeting. Termination must be provided in writing and submitted to the Company's Registrar. In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

Alternatively, you may appoint a proxy or proxies online at www.sharevote.co.uk. In order to appoint a proxy using this website, you will need your Voting ID, Task ID and Shareholder Reference Number, printed on the face of the accompanying form of proxy. Full details of the procedures are noted on the website. Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk using their user ID and password. Once logged in, click "View" on the "My Investments" page, click on the link to vote and then follow the on-screen instructions.

We strongly encourage you to appoint the Chairman of the meeting as your proxy electronically. Electronic proxy appointments must also be received by the Company's Registrar, Equiniti, no later than 48 hours before the time appointed for the meeting (excluding weekends and public holidays) or any adjournment of the meeting. Proxies received after that date will not be valid. Any electronic communication found to contain a computer virus will not be accepted.

7. Communication with the Company

Members may not use any electronic address provided either in the notice of meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

8. Electronic receipt of proxies

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number RA19) no later than the deadline specified in Note 6. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. Instructions on how to vote through CREST can be found on the website www.euroclear.com.

9. Questions at the Annual General Meeting

Any member attending the Annual General Meeting has the right to ask questions. Section 319A of the Companies Act requires the Directors to answer any question raised at the Annual General Meeting which relates to the business of the Annual General Meeting, although no answer need be given:

- (a) if to do so would interfere unduly with the proceedings of the Annual General Meeting or involve disclosure of confidential information;
- (b) if the answer has already been given on the Company's website; or
- (c) if it is undesirable in the best interests of the Company or the good order of the Annual General Meeting that the question be answered.

10. Website

A copy of the notice of the Annual General Meeting, including these explanatory notes and other information required by Section 311A of the Companies Act, is included on the Company's website, www.newdawn-trust.co.uk.

11. Share Plans

There are special arrangements for holders of Shares in a Share Plan. These are explained in the Letters of Direction the Shareholders will have received with this notice.

12. Total voting rights at date of notice

As at 19 September 2023, the latest practicable date before this Notice is given the Company has a total of 112,865,699 ordinary shares of 5p in issue of which 8,399,351 are held in treasury. The total number of voting rights in relation to the Ordinary Shares in the Company on 19 September 2023 is 104,466,348.

APPENDIX TO NOTICE OF AGM

Directors' Report and Financial Statements

The Annual Report can be found on the Company's website at www.newdawn-trust.co.uk for the consideration of Shareholders.

Directors' Remuneration Report

The Remuneration Report is set out on pages 49 to 50 of the Annual Report. It has been prepared in accordance with the regulations governing the disclosure and approval of Directors' remuneration.

Remuneration policy

The Board prepared the remuneration policy which is set out on pages 49 to 50 of the Annual Report. The last remuneration policy was put to shareholders in 2020. The Remuneration Policy takes into consideration the principles of the UK Corporate Governance Code and the AIC's recommendations regarding the application of those principles to investment companies. The Board's policy is that the remuneration of non-executive directors should be sufficient to attract directors of the quality required to run the Company successfully. The remuneration should also reflect the nature of the directors' duties, responsibilities, the value of their time spent and be fair and comparable to that of other investment trusts that are similar in size, and have similar capital structures and investment objectives.

Re-election of directors

All directors will stand for re-election at the AGM. The reasons for the Board's recommendations for their re-elections are set out in the Directors Report in the Annual Report, in particular at pages 42-46. The biographies of the directors are set out on pages 38 to 40 of the Annual Report.

Authority to allot shares

Resolution 11, which is an ordinary resolution, seeks to renew the authority to allot the unissued share capital up to an aggregate nominal amount of £522,331 (equivalent to 10 per cent. of the Company's existing issued share capital at 19 September 2023).

Limited disapplication of Pre-emption Provisions

Resolution 12, which is a special resolution, seeks to renew the Directors' authority to allot Ordinary shares and sell shares held in treasury (see below), without first being required to offer those shares to shareholders, at a price above the undiluted NAV per share at the allotment. The authorisation is limited to:-

- a) the issue of shares otherwise than as described in (b) up to an aggregate nominal value of £522,331 (equivalent to 10% of the Ordinary shares in issue at 19 September 2023); and
- b) the allotment of shares in connection with an offer to all holders of Ordinary shares in proportion to their holdings in the Company.

This authority will last until the conclusion of the Annual General Meeting held in 2024 or, if earlier, 31 October 2024 (unless previously varied, revoked or extended). The Company may hold such shares "in treasury" and then sell them at a later date for cash rather than simply cancelling them. Such sales are required to be on a pre-emptive, *pro rata*, basis to existing shareholders, unless shareholders agree by special resolution to disapply such pre-emption rights. Accordingly, in addition to giving the Directors power to allot unissued Ordinary share capital on a non pre-emptive basis, Resolution 13 will also give the Directors power to sell Ordinary shares held in treasury on a non pre-emptive basis, subject always in both cases to the limitations noted above. Pursuant to this power, Ordinary shares would only be issued for cash and treasury shares would only be sold for cash at a price not less than the NAV per share. Treasury shares are explained in more detail under the heading "Share Repurchases" below.

Share repurchases

Resolution 14, which is a special resolution, will be proposed to authorise the Company to make market purchases of its own Ordinary shares. The Company may do either of the following in

respect of its own Ordinary shares which it buys back and does not immediately cancel but, instead, holds "in treasury":-

- a) sell such shares (or any of them) for cash (or its equivalent); or
- b) ultimately cancel the shares (or any of them).

The Directors intend to continue to take advantage of this flexibility. No dividends will be paid on treasury shares, and no voting rights attach to them. The maximum aggregate number of Ordinary shares which may be purchased pursuant to the authority is 14.99% of the issued Ordinary share capital of the Company as at the date of the passing of the resolution (approximately 15.6 million Ordinary shares at 19 September 2023). The minimum price which may be paid for an Ordinary share shall be 5p (exclusive of expenses). The maximum price (exclusive of expenses) which may be paid for the shares is the higher of:

- a) 5% above the average of the market value of the Ordinary shares (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
- b) the higher of the price of the last independent trade and the highest current independent bid on the main market for the Ordinary shares. This authority, if conferred, will only be exercised if to do so would result in an increase in NAV per Ordinary share for the remaining shareholders, and if it is in the best interests of shareholders generally. This authority will last until the conclusion of the Annual General Meeting of the Company to be held in 2024 or, if earlier, 31 October 2024 (unless previously revoked, varied or renewed).

Auditor

Subject to the implementation of the Scheme, the Board is satisfied that Johnston Carmichael remains independent and effective and supports their re-appointment as auditor and, if relevant, the Directors be authorised to negotiate their remuneration.

NOTICE OF SECOND GENERAL MEETING

abrdn New Dawn Investment Trust plc (the “Company”)

(Incorporated in England and Wales with registered number 02377879 and registered as an investment company under Section 833 of the Companies Act 2006)

Notice is hereby given that a General Meeting of the Company will be held at 10.00 a.m. on 8 November 2023 at the offices of Dentons UK and Middle East LLP, 1 Fleet Place, London EC4M 7WS for the purpose of considering and, if thought fit, passing the following resolution, which will be proposed as a special resolution:

Special Resolution

That (provided that the Directors shall not have resolved, prior to the date of this meeting (or any adjournment thereof) to abandon the Scheme):

- (a) the Company be and is hereby wound up voluntarily under the provisions of the Insolvency Act 1986 and that Gareth Rutt Morris and Andrew Martin Sheridan, both licensed insolvency practitioners of FRP Advisory Trading Limited, be and they are hereby appointed joint liquidators of the Company (the “**Liquidators**”) for the purposes of such winding-up and distributing the assets of the Company in accordance with the Scheme and any power conferred on them by law, the Articles of Association or by this resolution may be exercised by them jointly or by each of them alone;
- (b) the remuneration (plus VAT) of the Liquidators be determined by reference to the time properly given by them and their staff in attending to matters prior to and during the winding-up of the Company (including, without limitation, the implementation of the Scheme and any matters outside the statutory duties of the Liquidators and undertaken at the request of the members or a majority of them) and they be and are hereby authorised to draw such remuneration monthly or at such longer intervals as they may determine and to pay any expenses properly incurred by them to give effect to the Scheme;
- (c) the Company’s books and records be held by the Company Secretary to the order of the Liquidators until the expiry of 12 months after the date of dissolution of the Company, when they may be disposed of, save for financial and trading records which will be kept for a minimum of six years following the vacation of the Liquidators from office;
- (d) the Liquidators be empowered and directed to carry into effect the provisions of the Articles of Association as amended by the special resolutions set out in the notice of the First General Meeting of the Company contained in the Circular;
- (e) the Liquidators be and are hereby authorised pursuant to section 165 of the Insolvency Act 1986 to exercise the powers laid down in Part I of Schedule 4 to that Act as may be necessary or desirable in their judgment, acting jointly and severally, to give effect to the Scheme and/or to carry out the winding-up of the Company; and
- (f) the definitions contained in the circular to Shareholders of the Company, dated 22 September 2023 (the “**Circular**”), have the same meanings in this special resolution.

By Order of the Board
abrdn Holdings Limited
Company Secretary

Dated: 22 September 2023

Registered office:
280 Bishopsgate
London
EC2M 4AG

Notes:

These notes should be read in conjunction with the notes on the Form of Proxy.

1. Voting record date

Only members registered in the Register of Members of the Company at close of business on 6 November 2023 or, if the General Meeting is adjourned, at close of business on the day two days prior to the adjourned meeting, shall be entitled to vote at the General Meeting in respect of the number of voting rights registered in their name at that time. Changes to entries on the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to vote at the General Meeting.

In the case of joint holders of a voting right, the vote of the senior who tenders a vote shall be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members in respect of the joint holding.

2. Rights to attend and vote

A GREEN Form of Proxy is enclosed with this notice. To be valid, the GREEN Form of Proxy, together with the power of attorney or other authority, if any, under which it is executed (or notarially certified copy of such power or authority) must be deposited with the Registrar not later than 10.00 a.m. on 6 November 2023.

Completion and return of the GREEN Form of Proxy will not preclude Shareholders from attending and voting at the meeting, if they wish.

3. Right to appoint proxies

Pursuant to Section 324 of the Companies Act 2006, a member entitled to attend and vote at the meeting may appoint more than one proxy, provided that each proxy is appointed to exercise the rights attached to different shares held by him. A proxy need not be a member of the Company.

Shareholders are encouraged to appoint the Chairman of the General Meeting as their proxy to vote on their behalf.

Section 324 does not apply to persons nominated to receive information rights pursuant to Section 146 of the Companies Act 2006. Persons nominated to receive information rights under Section 146 of the Companies Act 2006 have been sent this notice of meeting and are hereby informed, in accordance with Section 149(2) of the Companies Act 2006, that they may have the right under an agreement with the registered member by whom they are nominated to be appointed, or to have someone else appointed, as a proxy for this meeting. If they have such right or do not wish to exercise it, they may have a right under such an agreement to give instructions to the member as to the exercise of voting rights.

Nominated persons should contact the registered member by whom they were nominated in respect of these arrangements. The statement of rights of Shareholders in relation to the appointment of proxies does not apply to nominated persons.

4. Proxies' rights to vote at the General Meeting

On a vote on a show of hands, each proxy has one vote.

If a proxy is appointed by more than one member and all such members have instructed the proxy to vote in the same way, the proxy will only be entitled, on a show of hands, to vote "for" or "against" as applicable. If a proxy is appointed by more than one member, but such members have given different voting instructions, the proxy may, on a show of hands, vote both "for" and "against" in order to reflect the different voting instructions.

On a poll, all or any of the voting rights of the member may be exercised by one or more duly appointed proxies. However, where a member appoints more than one proxy, Section 285(4) of the Companies Act does not authorise the exercise by the proxies taken together of more extensive voting rights than could be exercised by the member in person.

Voting on all resolutions will be conducted by way of a poll.

As soon as practicable following the meeting, the results of the voting will be announced via a regulatory information service and also placed on the Company's website, www.newdawn-trust.co.uk.

5. Voting by corporate representatives

A corporation which is a Shareholder can appoint one or more corporate representatives who may exercise on its behalf, all of its powers as a Shareholder, provided that they do not do so in relation to the same shares. However, members should note that corporate representatives are not expected to be able to attend the General Meeting.

6. Receipt and termination of proxies

To be valid the enclosed Form of Proxy must be lodged with the Company's Registrar, Equiniti, at Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA as soon as possible and in any event so as to arrive by not later than 10.00 a.m. on 6 November 2023. We strongly encourage you to appoint the Chairman of the meeting as your proxy.

A member may terminate a proxy's authority at any time before the commencement of the General Meeting. Termination must be provided in writing and submitted to the Company's Registrar. In accordance with the Company's Articles of Association, in determining the time for delivery of proxies, no account shall be taken of any part of a day that is not a working day.

Alternatively, you may appoint a proxy or proxies online at www.sharevote.co.uk. In order to appoint a proxy using this website, you will need your Voting ID, Task ID and Shareholder Reference Number, printed on the face of the accompanying form of proxy. Full details of the procedures are noted on the website. Alternatively, shareholders who have already registered with Equiniti's online portfolio service, Shareview, can appoint their proxy electronically by logging on to their portfolio at www.shareview.co.uk using their user ID and password. Once logged in, click "View" on the "My Investments" page, click on the link to vote and then follow the on-screen instructions.

We strongly encourage you to appoint the Chairman of the meeting as your proxy electronically. Electronic proxy appointments must also be received by the Company's Registrar, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA no later than 48 hours before the time appointed for the meeting (excluding weekends and public holidays) or any adjournment of the meeting. Proxies received after that date will not be valid. Any electronic communication found to contain a computer virus will not be accepted.

7. Communication with the Company

Members may not use any electronic address provided either in the notice of meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purpose other than those expressly stated.

8. Electronic receipt of proxies

To appoint one or more proxies or to give an instruction to a proxy (whether previously appointed or otherwise) via the CREST system, CREST messages must be received by the Company's agent (ID number RA19) no later than the deadline specified in Note 6. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp generated by the CREST system) from which the issuer's agent is able to retrieve the message. The Company may treat as invalid a proxy appointment sent by CREST in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. Instructions on how to vote through CREST can be found on the website www.euroclear.com.

9. Questions at the General Meeting

Any member attending the General Meeting has the right to ask questions. Section 319A of the Companies Act requires the Directors to answer any question raised at the General Meeting which relates to the business of the General Meeting, although no answer need be given:

- (a) if to do so would interfere unduly with the proceedings of the General Meeting or involve disclosure of confidential information;
- (b) if the answer has already been given on the Company's website; or
- (c) if it is undesirable in the best interests of the Company or the good order of the General Meeting that the question be answered.

10. Website

A copy of the notice of the General Meeting, including these explanatory notes and other information required by Section 311A of the Companies Act, is included on the Company's website, www.newdawn-trust.co.uk.

11. Share Plans

There are special arrangements for holders of Shares in a Share Plan. These are explained in the Letters of Direction which such holders will have received with this Circular.

12. Total voting rights at date of notice

As at 19 September 2023, the latest practicable date before this Notice is given the Company has a total of 112,865,699 ordinary shares of 5p in issue of which 8,399,351 are held in treasury. The total number of voting rights in relation to the Ordinary Shares in the Company on 19 September 2023 is 104,466,348.

REGISTERED OFFICE OF THE ISSUER

abrdrn New Dawn Investment Trust plc
280 Bishopsgate
London
EC2M 4AG

INVESTMENT MANAGER
abrdrn Asia Limited
(a subsidiary of abrdrn plc)
Marina One East Tower
7 Straits View
#23-04
Postal 018936

ALTERNATIVE INVESTMENT FUND MANAGER
abrdrn Fund Managers Limited
280 Bishopsgate
London
EC2M 4AG

LEGAL ADVISERS TO THE ISSUER
Dentons UK and Middle East LLP
One Fleet Place
London
EC4M 7WS

FINANCIAL ADVISER AND BROKER
Panmure Gordon (UK) Limited
40 Gracechurch Street
London
EC3V 0BT

INDEPENDENT STATUTORY AUDITOR OF THE ISSUER
Johnston Carmichael LLP
7-11 Melville Street
Edinburgh
EH3 7PE

REGISTRAR
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Aspect House
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Lancing
West Sussex
BN99 6DA

SECRETARY
abrdrn Holdings Limited
1 George Street
Edinburgh
EH2 2LL

