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Aberdeen New Dawn Investment Trust PLC

Interim Report

Six months ended 31 October 2006



Chairman's Statement

Background

I am reporting to you for the first time as Chairman of your Company on the performance over the six months under review. During this period, the net asset value of the Company fell 2.2% to 492.7p, underperforming the benchmark MSCI Asia Pacific ex-Japan Index, which fell 1.6%. Over the period, the net asset value total return was -1.1% and the benchmark total return was -1.6%, while the share price total return was -4.1%. At 30 April 2006, the Company's shares were trading at a premium of 2.5% to the net asset value, but by 31 October 2006 they were trading at a discount of -0.6%. As is our normal practice, there will be no interim dividend but we shall recommend a final dividend at our financial year-end.

Overview

During the past six months several Asian stock markets reached record highs (notwithstanding the regional index fall), driven by abundant liquidity and a gathering belief that the US economy would avoid an abrupt slowdown. However, in May there was a significant market correction led by concerns over potential oil-led inflation and a rising political temperature in the Middle East. This left emerging markets in general exposed to knee-jerk selling, and many markets fell sharply. Since then the US Federal Reserve has sketched a more benign picture of US economic activity and global imbalances seem to have subsided. Liquidity into the region has resumed, led principally from the Middle East and North America.

China has continued to grow rapidly. Renewed efforts to curb lending and speculative investment have made little impact; as has a slowly appreciating Renminbi. India is growing at 9.2% year on year which is nearly the same rate as China and your Board is impressed by the sustainability of this underlying growth which has benefited from transparency as well as the legal and accountancy systems. India's weakness is its infrastructure, which will eventually constrain growth. Rising wages and costs are a symptom of an economy running close to full capacity and significant overheating in the property market is another warning sign.

Singapore has been generating good growth thanks to a move into higher-end services, with a burgeoning financial services sector attracting capital from Europe – and investment interest now spilling into higher-end properties which has served us well. Meanwhile, businesses as different as oil rigs, banks and telecoms that have heeded the government's encouragement to go regional are finally generating attractive returns.

Sadly, Taiwan and Korea have not been generating plaudits. Margin pressure has dampened the performance of key exporters and economic growth has been sluggish. Thailand, which saw a bloodless coup remove the prime minister, barely missed a beat. The market sees the junta as more likely to speed up public spending and deter the corruption that was Thaksin's undoing. There is obvious value in the market, which is probably Asia's cheapest in conventional terms.

One strong market support in Southeast Asia is the commodities boom since core exports still include soft commodities. But the main beneficiary is mineral-rich Australia, where the economy appears increasingly bifurcated: the Western half, where mining is based, is seeing tearaway growth but the more populous states on the other side, being dependent on home equity-driven consumption, face the consequences of rising interest rates.

Review

In the period under review, we took partial profits in Korean auto manufacturer Hyundai Motors, Australian construction company Leighton Holdings, telecommunications firm China Mobile, and Korean electronics manufacturer Samsung Electronics, all on valuation grounds. We also sold out of our holding in Indonesian shoe retailer and manufacturer Sepatu Bata. The proceeds were used to top up various existing holdings, including Venture Corp, a Singapore-based company that is one of the world's best electronics contract manufacturers, and Jardine Strategic, one of Hong Kong's big trading houses,

with interests in retail, property, hotels and auto distribution. We also switched the Australian listing of Rio Tinto to the UK listing, as the latter trades at a discount to the former, an anomaly we hope to be corrected in time.

Three new holdings were purchased for the fund. We initiated positions in Hong Kong-based developer Hang Lung Properties and its holding company Hang Lung Group, which not only has a strong retail property portfolio and develops residential projects in Hong Kong, but is poised to capitalise on the growth in Chinese consumption through the development of large-scale shopping centres on the mainland. We also initiated a position in Singapore Telecommunications, one of the largest telecommunications services providers in the Asia Pacific region, with significant operations in Singapore and Australia, and growing contributions from its associates across the region, including India and Indonesia.

Outlook

With the exception perhaps of Chinese IPOs, there are few signs of the excesses in Asia one usually associates with a bull market. Companies are behaving cautiously. Policy makers do not face any obvious quandaries. True, interest rates have been rising – save in Indonesia – but the effects have been muted almost everywhere. There is room for spending to boost demand if required, and budgets have generally turned more expansive.

The main risks therefore appear external. In recent weeks investors have reacted alternately with complacency and alarm at the regular feed of US economic data (which is still inconclusive). The upshot may be more volatility in markets globally. In Asia, the evidence from fund flows is that the more marginal foreign investors may not have returned after May's wobble. But institutional allocations to the region have been increasing for some years and a more variegated market ownership structure is welcome.

Should stock markets stumble again as they did in the middle of the year, I have every confidence in your Manager. The Board shares my view that the Manager is right to emphasise price discipline at this juncture because conditions could tempt one to overpay for growth that may already be discounted. Our experience is that buying short-term performance can lead to nasty surprises later. As it is, we have a carefully constructed portfolio of sound, well-managed companies that have sustainable, cash-generating operations and sensible corporate strategies. A casual glance will show that the names are substantially the same as six months (or even a year or two) ago, which is reassuring.

Current valuations appear reasonable and are supported by the positive long-term fundamentals in the region. Currently the Company's investments trade on a price/earnings multiple of 17.3 times for calendar year 2006 and 16.2 times for 2007, according to our Manager's estimates, with a weighted average debt/equity ratio of just 9%.

Directorate

As anticipated in the Annual Report, Jimmy West retired from the Board at the Annual General Meeting held in August. I would like to take this opportunity to thank Jimmy for his contribution to the Trust over the last 13 years and I will personally miss his advice.

I am delighted to report that we have appointed David Shearer to the Board with effect from 1 January 2007 and he will also be Chairman of the Audit Committee.

Alan Henderson
Chairman

20 December 2006

Income Statement (unaudited)

	Notes	Six months ended 31 October 2006			Six months ended 31 October 2005		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on held-at-fair-value investments		–	(2,703)	(2,703)	–	17,573	17,573
Income		2,155	–	2,155	1,857	–	1,857
Investment management fee		(252)	(252)	(504)	(197)	(197)	(394)
Administrative expenses		(272)	(30)	(302)	(242)	–	(242)
Exchange (losses)/gains		(36)	357	321	26	(475)	(449)
Net return before finance costs and taxation		1,595	(2,628)	(1,033)	1,444	16,901	18,345
Interest payable and similar charges		(95)	(95)	(190)	(80)	(80)	(160)
Net return on ordinary activities before taxation		1,500	(2,723)	(1,223)	1,364	16,821	18,185
Taxation on ordinary activities		(437)	104	(333)	(414)	83	(331)
Return on ordinary activities after taxation		1,063	(2,619)	(1,556)	950	16,904	17,854
Return per Ordinary share (pence):	3	4.19	(10.32)	(6.13)	3.99	70.99	74.98

The total column of this statement represents the profit and loss account of the Company.

No Statement of Total Recognised Gains and Losses has been prepared as all gains and losses have been reflected in the Income Statement.

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

Balance Sheet

Notes	As at 31 October 2006 (unaudited) £'000	As at 31 October 2005 (unaudited) £'000	As at 30 April 2006 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss	131,759	106,432	134,766
Current assets			
Debtors	464	227	423
Cash at bank and in hand	723	1,471	790
	1,187	1,698	1,213
Creditors: amounts falling due within one year			
Foreign currency loans	(7,191)	(7,535)	(7,496)
Other creditors	(661)	(1,150)	(486)
	(7,852)	(8,685)	(7,982)
Net current liabilities	(6,665)	(6,987)	(6,769)
Total assets less current liabilities	125,094	99,445	127,997
Provision for liabilities and charges	(12)	(43)	(90)
Net assets	125,082	99,402	127,907
Capital and reserves			
Called-up share capital	6,347	6,172	6,347
Share premium account	17,955	14,834	17,955
Special reserve	14,138	14,138	14,138
Capital redemption reserve	10,207	10,207	10,207
Capital reserve – realised	11,978	6,606	7,067
Capital reserve – unrealised	59,919	43,364	67,449
Revenue reserve	4,538	4,081	4,744
Equity Shareholders' funds	125,082	99,402	127,907
Net asset value per Ordinary share (pence):	4	492.70	402.65
	503.83		

Reconciliation of Movements in Shareholders' Funds (unaudited)

Six months ended 31 October 2006

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2006	6,347	17,955	14,138	10,207	7,067	67,449	4,744	127,907
Return on ordinary activities after taxation	–	–	–	–	4,911	(7,530)	1,063	(1,556)
Dividend paid (Final 2006 – 5.0p)	–	–	–	–	–	–	(1,269)	(1,269)
Balance at 31 October 2006	6,347	17,955	14,138	10,207	11,978	59,919	4,538	125,082

Six months ended 31 October 2005

	Share capital £'000	Share premium account £'000	Special reserve £'000	Capital redemption reserve £'000	Capital reserve realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 30 April 2005	5,852	9,777	14,138	10,207	7,025	26,041	4,301	77,341
Return on ordinary activities after taxation	–	–	–	–	(419)	17,323	950	17,854
Dividend paid (Final 2005 – 4.0p; Special 2005 – 1.0p)	–	–	–	–	–	–	(1,170)	(1,170)
Issue of Ordinary shares	320	5,057	–	–	–	–	–	5,377
Balance at 31 October 2005	6,172	14,834	14,138	10,207	6,606	43,364	4,081	99,402

Cash Flow Statement (unaudited)

	Six months ended 31 October 2006 £'000	Six months ended 31 October 2005 £'000
Net return on ordinary activities before finance costs and taxation	(1,033)	18,345
<i>Adjustment for:</i>		
Losses/(gains) on investments at fair value through profit or loss	2,703	(17,573)
Exchange (gains)/losses charged to capital	(357)	475
(Increase)/decrease in accrued income	(35)	326
Increase in other debtors	–	(4)
Increase in creditors	42	48
Overseas withholding tax suffered	(94)	(102)
Scrip dividends included in investment income	(35)	(15)
Net cash inflow from operating activities	1,191	1,500
Net cash outflow from servicing of finance	(194)	(161)
Corporation tax paid	(182)	–
Net cash inflow/(outflow) from financial investment	315	(4,953)
Equity dividends paid	(1,269)	(1,170)
Net cash outflow before use of liquid resources and financing	(139)	(4,784)
Net cash inflow from financing	20	5,378
(Decrease)/increase in cash	(119)	594
Reconciliation of net cash flow to movements in net debt		
(Decrease)/increase in cash as above	(119)	594
Exchange movements	357	(475)
Movement in net debt in the period	238	119
Net debt at 1 May 2006	(6,706)	(6,183)
Net debt at 31 October 2006	(6,468)	(6,064)
Represented by:		
Cash at bank	723	1,471
Debt falling due within one year	(7,191)	(7,535)
	(6,468)	(6,064)

Notes to the Accounts

1. Accounting policies

(a) Basis of accounting

The accounts have been prepared under the historical cost convention, as modified to include the revaluation of investments and in accordance with applicable UK Accounting Standards and consistent with the Statement of Recommended Practice for 'Financial Statements of Investment Trust Companies' (December 2005). They have also been prepared on the assumption that the approval as an investment trust will continue to be granted.

The financial statements and the net asset value per share figures have been prepared in accordance with UK Generally Accepted Accounting Practice ('UK GAAP').

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

(b) Dividends payable

Dividends are recognised in the period in which they are paid.

2. Dividends

Ordinary dividends on equity shares deducted from reserves are analysed below:

	Six months ended 31 October 2006 £'000	Six months ended 31 October 2005 £'000
2005 final dividend – 4.0p	–	936
2005 special dividend – 1.0p	–	234
2006 final dividend – 5.0p	1,269	–
	1,269	1,170

In accordance with stated policy no interim dividend has been declared for the period (2005 – nil).

	Six months ended 31 October 2006 p	Six months ended 31 October 2005 p
3. Return per share		
Revenue return	4.19	3.99
Capital return	(10.32)	70.99
Total return	(6.13)	74.98

The figures above are based on the following attributable assets:

	£'000	£'000
Revenue return	1,063	950
Capital return	(2,619)	16,904
Total return	(1,556)	17,854
Weighted average number of Ordinary shares	25,387,133	23,812,676

Notes to the Accounts – continued

	As at 31 October 2006	As at 31 October 2005	As at 30 April 2006
4. Net asset value per share			
Attributable net assets (£'000)	125,082	99,402	127,907
Number of Ordinary shares in issue	25,387,133	24,687,133	25,387,133
Net asset value per Ordinary share (p)	492.70	402.65	503.83

5. Transaction costs

During the six months ended 31 October 2006 expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within (losses)/gains on investments in the Income Statement. The total costs were as follows:

	Six months ended 31 October 2006 £'000	Six months ended 31 October 2005 £'000
Purchases	30	23
Sales	14	13
	44	36

6. The financial information in this report comprises non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information for the year ended 30 April 2006 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified under Section 235 of the Companies Act 1985. The interim accounts have been prepared using the same accounting policies as the preceding annual accounts.

Independent Review Report to Aberdeen New Dawn Investment Trust PLC

Introduction

We have been instructed by the Company to review the financial information for the six months ended 31 October 2006 which comprises the Income Statement, Balance Sheet, Reconciliation of Movements in Shareholders' Funds, Cash Flow Statement and the related notes that have been reviewed. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Listing Rules of the Financial Services Authority. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Directors' responsibilities

The Interim Report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review Work Performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board for use in the UK. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Statements on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the financial information.

Review Conclusion

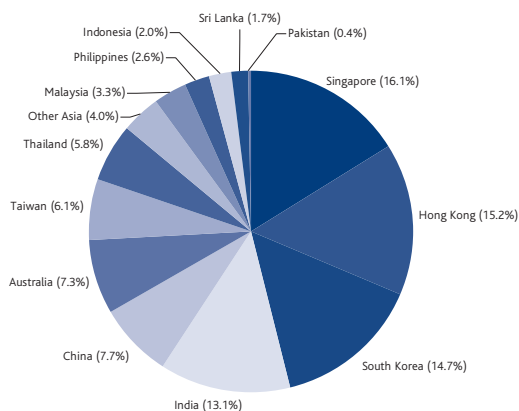
On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 October 2006.

20 December 2006

KPMG Audit Plc
Chartered Accountants
Edinburgh

Asset Allocation

As at 31 October 2006



Stock Market Performance

MSCI Country Index	Indices 30 April 2006 £	Indices 31 October 2006 £	% Change Sterling Adj %
Australia	4,213.10	4,262.93	1.2
China	41.57	44.60	7.3
Hong Kong	34,798.64	33,993.90	-2.3
India	342.89	360.64	5.2
Indonesia	644.24	648.94	0.7
Korea	466.51	424.30	-9.0
Malaysia	369.09	367.53	-0.4
New Zealand	353.42	343.46	-2.8
Pakistan	314.70	295.35	-6.2
Philippines	250.16	303.48	21.3
Singapore Free	545.70	566.77	3.9
Taiwan	352.82	321.49	-8.9
Thailand	353.52	338.34	-4.3
Aberdeen New Dawn Net Asset Value	503.83	492.70	-2.2
MSCI AC Asia Pacific Index ex Japan (currency adjusted, capital gains basis)	632.35	622.53	-1.6

Investment Portfolio

By value at 31 October 2006

Company	Country	Valuation £'000	Total assets %*
Aberdeen Global – India Opps. Fund	India	17,275	13.0
Samsung Electronics Pref	South Korea	8,746	6.6
China Mobile	China	5,038	3.8
Swire Pacific 'B'	Hong Kong	4,549	3.4
Oversea-Chinese Banking Corporation	Singapore	4,329	3.3
QBE Insurance Group	Australia	4,056	3.1
City Developments	Singapore	3,920	3.0
Petrochina	China	3,832	2.9
United Overseas Bank	Singapore	3,576	2.7
Shinsegae Company	South Korea	3,475	2.6
Top ten investments		58,796	44.4
Ayala Land	Philippines	3,472	2.6
Siam Cement	Thailand	3,323	2.5
Taiwan Semiconductor	Taiwan	3,170	2.4
PTT Exploration & Production	Thailand	2,801	2.1
Rio Tinto	Australia	2,747	2.1
Aberdeen Asian Smaller Companies Inv. Trust	Other Asia	2,682	2.0
Wing Hang Bank	Hong Kong	2,662	2.0
Jardine Strategic Holdings	Hong Kong	2,612	2.0
Fubon Financial	Taiwan	2,597	2.0
M.P. Evans Group	Other Asia	2,529	1.9
Top twenty investments		87,391	66.1
Singapore Technologies Engineering	Singapore	2,492	1.9
Sun Hung Kai Properties	Hong Kong	2,433	1.8
Singapore Airlines	Singapore	2,415	1.8
Hyundai Motor Pref	South Korea	2,410	1.8
Kookmin Bank	South Korea	2,376	1.8
Venture Corp	Singapore	2,271	1.7
Singapore Telecommunications	Singapore	2,222	1.7
Unilever Indonesia	Indonesia	2,188	1.7
Dah Sing Financial	Hong Kong	1,834	1.4
Dairy Farm International	Hong Kong	1,555	1.2
Top thirty investments		109,587	82.8

Investment Portfolio – continued

Company	Country	Valuation £'000	Total assets %*
Public Bank Berhard	Malaysia	1,536	1.2
Hana Microelectronics	Thailand	1,505	1.1
TABCORP Holdings	Australia	1,502	1.1
Hang Lung Properties	Hong Kong	1,430	1.1
POS Malaysia & Services	Malaysia	1,424	1.1
Malaysian Oxygen	Malaysia	1,372	1.0
Pusan Bank	South Korea	1,341	1.0
Leighton Holdings	Australia	1,338	1.0
Zhejiang Expressway	China	1,241	0.9
Taiwan Mobile	Taiwan	1,178	0.9
Top forty investments		123,454	93.3
ASM Pacific Technologies	Hong Kong	1,169	0.9
Sinopac	Taiwan	1,112	0.8
Giordano International	Hong Kong	1,046	0.8
Daegu Bank	South Korea	1,042	0.8
Keells (J.)	Sri Lanka	697	0.5
Hang Lung	Hong Kong	620	0.5
National Development Bank	Sri Lanka	577	0.4
Multi Bintang Indonesia	Indonesia	506	0.4
BOC Pakistan	Pakistan	484	0.4
DFCC Bank	Sri Lanka	496	0.4
Top fifty investments		131,203	99.2
Aitken Spence	Sri Lanka	468	0.4
Dah Sing Banking	Hong Kong	88	0.1
Total fixed asset investments		131,759	99.6
Net current assets		526	0.4
Total assets		132,285	100.0

* Excluding bank loans of £7,191,000.

Financial Calendar

20 December 2006	Announcement of unaudited interim results
December 2006	Interim Report posted to Shareholders
June 2007	Announcement of unaudited results for the year ending 30 April 2007
July 2007	Annual Report posted to Shareholders
August 2007	Annual General Meeting

Corporate Information

Directors

Alan Henderson, Chairman
Richard Bradley
Richard Clough
Richard Hills
Hugh Young

Manager

Aberdeen Asset Management Asia Limited
21 Church Street, #01-01 Capital Square Two
Singapore 049480

Secretaries and Registered Office

Aberdeen Asset Management PLC
One Bow Churchyard, Cheapside,
London EC4M 9HH

Company Registration Number: 2377879

Registrars

Lloyds TSB Registrars
The Causeway
Worthing
West Sussex BN99 6DA

Shareholder Helpline: 0870 601 5366
(Calls charged at National Call Rate)

Stockbrokers

Teather & Greenwood Limited
Beaufort House
15 St Botolph Street
London EC3A 7QR

Bankers

Bank of Scotland
Corporate Banking (Scotland)
3-5 Albyn Place
Aberdeen AB10 1PY

Allied Irish Bank PLC
St Helens, 1 Undershaft
London EC3A 8AB

Solicitors

Maclay Murray & Spens
The City Law Partnership
One London Wall
London EC2Y 5AB

Independent Auditors

KPMG Audit Plc
Chartered Accountants
Saltire Court
20 Castle Terrace
Edinburgh EH1 2EG

Website

www.newdawn-trust.co.uk

