

# 06

## Aberdeen New Thai Investment Trust PLC

Interim Report

Six months ended 31 August 2006





# Chairman's Statement

## Background

During the six months ended 31 August 2006, the net asset value of your Company fell by 6.7% on a total return basis, outperforming the benchmark Stock Exchange of Thailand Index, which declined 7.6%. Over the year ended 31 August 2006, the Company's net asset value increased by 16.8% compared to 7.3% on the Index. As in previous years, the Board will consider the declaration of a dividend at the end of the Company's financial year.

## Overview

Thailand has been in limbo since March, when prime minister Thaksin, responding to calls for his resignation, which had led to street demonstrations, dissolved parliament. Fresh elections followed, only to be boycotted by the opposition and then annulled. Further political turmoil ensued at the time of writing, with Thaksin being ousted in a military coup. Newly-appointed prime minister General Surayud Chulanont, who now presides over an investor-friendly cabinet, is expected to keep a steady hand on the economy and lead the country until new elections next year.

The turn of events has led to policy paralysis, although the interim administration has said it would push ahead with a limited number of infrastructure projects. Meanwhile interest rates have been climbing steadily to combat energy-led inflation. In turn the baht has appreciated almost 10% against the dollar this year, and has begun to erode competitiveness.

Even so, the economy has proved resilient, growing around 6% in the six months to June, compared to a year earlier. Rubber, automobiles and computer parts helped exports to a record level in July. Tourism has also rebounded. Recent data, however, suggest a slowdown ahead, as consumers curb spending and companies defer investment because of the gathering uncertainty.

The stock market has fluctuated. A pick-up in investor sentiment following Thaksin's resignation soon gave way to profit-taking. Inflation and interest rate concerns later returned but these were ignored by foreign buyers who have been attracted by the discount inherent in Thailand's stock market compared to its neighbours. There was limited stock market reaction to the coup.

At the corporate level, our holdings have performed largely within expectations, with extensive cost-controlling initiatives helping to offset lower margins. Companies, particularly in the commerce/retail sectors, continue to generate positive cash flow given little (if any) capital expenditure and debt servicing.

## Portfolio

Your Managers have been sensibly picking up stocks or pruning positions as circumstances have dictated. Among investments that performed well, partial profits were taken in Central Pattana and PTTEP. Conversely, the Managers topped up Big C Supercenter and Aeon Thana, both of which offer good value exposure to the domestic consumer. Among the banks, we identified Kasikornbank, one of the more professionally-run banks, as under-valued. Last, the Managers raised the Company's investment in Hana Microelectronics.

## Outlook

The interim government is unlikely to undertake any major reforms or shifts in policy, given its relatively short expected life. For now, the prime minister faces the uphill task of instituting political reforms, while ending separatist insurgency in the long-troubled Muslim south, and restoring international confidence in the country. Stable politics is vital. Two recent incidents are negative: first, the commerce ministry halted the expansion of (mainly foreign-owned) superstores at the behest of smallholders; days later the courts promised to consider whether the public listing in 2001 of PTT, the state petroleum company, was legal.

## Chairman's Statement – continued

In the meantime the economy faces a slowdown. Calling a halt to interest rate rises until next year, the Bank of Thailand's governor declared in August, 'Enough is enough'. Indeed, consumption is sliding as the delayed impact of higher interest rates takes its toll. Should external demand also start to falter, exports, which have remained buoyant, would follow. A new administration might then have to enact policies quickly to revive confidence.

Whether or not conditions deteriorate, I remain confident about both your portfolio, which is standing at a multiple of 13.7 times 2006 earnings, and Thailand's longer term prospects as stock market valuations appear relatively attractive, supported by a healthy dividend yield. The portfolio is focused and distinguished by the high level of ongoing due diligence performed by your Managers.

6 November 2006

**Keith Falconer**  
Chairman

## Financial Calendar

6 November 2006	Announcement of unaudited interim results
November 2006	Interim Report posted to Shareholders
May 2007	Announcement of results for the year ending 28 February 2007
May 2007	Annual Report posted to Shareholders
June 2007	Annual General Meeting

# Investment Portfolio

As at 31 August 2006

Company	Sector	Valuation £'000	Total assets %*
PTT Exploration & Production	Energy & Utilities	2,080	7.3
Siam Makro	Commerce	2,044	7.2
Siam Cement	Construction Materials	2,013	7.1
Hana Microelectronics	Electronic Components	1,836	6.5
Kasikornbank	Banks	1,552	5.5
Thai Reinsurance	Insurance	1,424	5.0
Eastern Water	Energy & Utilities	1,387	4.9
Siam Commercial Bank	Banks	1,351	4.8
Big C Supercenter	Commerce	1,350	4.8
Amarin Printing & Publishing	Printing & Publishing	1,284	4.5
<b>Top ten investments</b>		<b>16,321</b>	<b>57.6</b>
Aeon Thana Sinsap	Finance & Securities	1,150	4.0
Central Pattana	Property Development	1,134	4.0
Goodyear Thailand	Automotives	1,119	3.9
Bangkok Insurance	Insurance	1,106	3.9
Tisco Finance	Banks	916	3.2
MFC Asset Management	Finance & Securities	873	3.1
Sammakorn	Property Development	800	2.8
Thai Stanley Electric	Automotives	710	2.5
Regional Container Line	Transportation & Logistics	647	2.3
Advanced Information Services	Electronic Components	612	2.1
<b>Top twenty investments</b>		<b>25,388</b>	<b>89.4</b>
Phatra Insurance	Insurance	569	2.0
Electricity Generating	Energy & Utilities	481	1.7
Ratchaburi Electricity Generating	Energy & Utilities	465	1.6
Prakit FCB	Professional Services	415	1.5
Alucon	Packaging	369	1.3
Haad Thip	Foods & Beverages	246	0.9
Siam City Cement	Construction Materials	231	0.8
Serm Suk Public	Foods & Beverages	154	0.5
Minor Corporation	Household Goods	14	–
<b>Total fixed asset investments</b>		<b>28,332</b>	<b>99.7</b>
Net current assets and provision for liabilities and charges*		78	0.3
<b>Total assets</b>		<b>28,410</b>	<b>100.0</b>

\* Excludes bank loans of £1,355,000.

# Income Statement (unaudited)

	Notes	Six months ended 31 August 2006			Six months ended 31 August 2005		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on held-at-fair-value investments		–	(2,682)	(2,682)	–	250	250
Income from investments		1,289	–	1,289	1,012	–	1,012
Interest receivable		6	–	6	5	–	5
Other income		4	–	4	–	–	–
Investment management fee		(143)	–	(143)	(113)	–	(113)
Administration expenses		(131)	–	(131)	(108)	–	(108)
Exchange (losses)/gains		(45)	48	3	(5)	(30)	(35)
<b>Net return before finance costs and taxation</b>		<b>980</b>	<b>(2,634)</b>	<b>(1,654)</b>	<b>791</b>	<b>220</b>	<b>1,011</b>
Interest payable and similar charges		(48)	–	(48)	(41)	–	(41)
<b>Net return on ordinary activities before taxation</b>		<b>932</b>	<b>(2,634)</b>	<b>(1,702)</b>	<b>750</b>	<b>220</b>	<b>970</b>
Taxation on ordinary activities		(260)	–	(260)	(211)	–	(211)
<b>Return on ordinary activities after taxation</b>		<b>672</b>	<b>(2,634)</b>	<b>(1,962)</b>	<b>539</b>	<b>220</b>	<b>759</b>
<b>Return per Ordinary share (pence):</b>	3	<b>3.71</b>	<b>(14.55)</b>	<b>(10.84)</b>	<b>2.98</b>	<b>1.21</b>	<b>4.19</b>

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 are derived from continuing operations.

# Balance Sheet

	As at 31 August 2006 (unaudited) £'000	As at 31 August 2005 (unaudited) £'000	As at 28 February 2006 (audited) £'000
<b>Fixed assets</b>			
Investments at fair value through profit or loss	28,332	24,880	30,904
<b>Current assets</b>			
Debtors	387	422	61
Cash at bank	96	213	50
	483	635	111
<b>Creditors: amounts falling due within one year</b>			
Bank loans	(1,355)	(1,324)	(1,403)
Other creditors	(366)	(673)	(179)
	(1,721)	(1,997)	(1,582)
<b>Net current liabilities</b>	<b>(1,238)</b>	<b>(1,362)</b>	<b>(1,471)</b>
<b>Total assets less current liabilities</b>	<b>27,094</b>	<b>23,518</b>	<b>29,433</b>
<b>Provisions for liabilities and charges</b>	<b>(39)</b>	<b>–</b>	<b>(9)</b>
<b>Net assets</b>	<b>27,055</b>	<b>23,518</b>	<b>29,424</b>
<b>Capital and reserves</b>			
Called-up share capital	4,524	4,524	4,524
Share premium account	13,058	13,058	13,058
Capital redemption reserve	106	106	106
Capital reserve – realised	515	(952)	(1,025)
Capital reserve – unrealised	7,212	5,425	11,386
Revenue reserve	1,640	1,357	1,375
<b>Equity Shareholders' funds</b>	<b>27,055</b>	<b>23,518</b>	<b>29,424</b>
<b>Net asset value per Ordinary share (pence):</b>	<b>149.51</b>	<b>129.96</b>	<b>162.60</b>

## Reconciliation of Movements in Shareholders' Funds (unaudited)

### Six months ended 31 August 2006

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 28 February 2006	4,524	13,058	106	(1,025)	11,386	1,375	29,424
Return on ordinary activities after taxation	–	–	–	1,540	(4,174)	672	(1,962)
Dividend paid (Final 2006 – 2.25p)	–	–	–	–	–	(407)	(407)
<b>Balance at 31 August 2006</b>	<b>4,524</b>	<b>13,058</b>	<b>106</b>	<b>515</b>	<b>7,212</b>	<b>1,640</b>	<b>27,055</b>

### Six months ended 31 August 2005

	Share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance at 28 February 2005 (restated)	4,524	13,058	106	(1,615)	5,868	1,071	23,012
Return on ordinary activities after taxation	–	–	–	663	(443)	539	759
Dividend paid (Final 2005 – 1.40p)	–	–	–	–	–	(253)	(253)
<b>Balance at 31 August 2005</b>	<b>4,524</b>	<b>13,058</b>	<b>106</b>	<b>(952)</b>	<b>5,425</b>	<b>1,357</b>	<b>23,518</b>

# Cash Flow Statement (unaudited)

	Six months ended 31 August 2006 £'000	Six months ended 31 August 2005 £'000
<b>Net return on ordinary activities before finance costs and taxation</b>	(1,654)	1,011
<i>Adjustment for:</i>		
Losses/(gains) on investments	2,682	(250)
Exchange (gains)/losses	(3)	35
Decrease in accrued income	(149)	(93)
Decrease/(increase) in other debtors	12	(4)
Decrease in other creditors	(1)	(11)
Overseas withholding tax suffered	(105)	(88)
<b>Net cash inflow from operating activities</b>	782	600
Net cash outflow from servicing of finance	(31)	(43)
Net cash outflow from financial investment	(253)	(573)
Equity dividend paid	(407)	(253)
<b>Net cash inflow/(outflow) before financing</b>	91	(269)
<b>Financing</b>		
Repayment of loans	(28)	–
<b>Increase/(decrease) in cash</b>	<b>63</b>	<b>(269)</b>
<b>Reconciliation of net cash flow to movements in net debt</b>		
Increase/(decrease) in cash as above	63	(269)
Cash outflow from repayment of loans	28	–
<b>Change in net debt resulting from cash flows</b>	91	(269)
Exchange movements	3	(35)
<b>Movement in net debt in the period</b>	94	(304)
Opening net debt at 1 March	(1,353)	(807)
<b>Closing net debt at 31 August</b>	<b>(1,259)</b>	<b>(1,111)</b>
<b>Represented by:</b>		
Cash at bank	96	213
Debt falling due within one year	(1,355)	(1,324)
	<b>(1,259)</b>	<b>(1,111)</b>

# Notes to the Accounts

## 1. Accounting policies

### (a) Basis of accounting

The financial statements 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 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

Interim and final 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 August 2006 £'000	Six months ended 31 August 2005 £'000
2005 final dividend – 1.40p	–	253
2006 final dividend – 2.25p	407	–
	<b>407</b>	<b>253</b>

## 3. Return per share

	Six months ended 31 August 2006 p	Six months ended 31 August 2005 p
Revenue return	3.71	2.98
Capital return	(14.55)	1.21
Total return	<b>(10.84)</b>	<b>4.19</b>

The figures above are based on the following attributable assets:

	Six months ended 31 August 2006 £'000	Six months ended 31 August 2005 £'000
Revenue return	672	539
Capital return	(2,634)	220
Total return	<b>(1,962)</b>	<b>759</b>
Weighted average number of Ordinary shares in issue	<b>18,095,420</b>	<b>18,095,420</b>

<b>4. Net asset value per share</b>	As at 31 August 2006	As at 31 August 2005	As at 28 February 2006
Attributable net assets (£'000)	27,055	23,518	29,424
Number of Ordinary shares in issue	18,095,420	18,095,420	18,095,420
Ordinary share (p)	149.51	129.96	162.60

#### 5. Transaction costs

During the six months ended 31 August 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 August 2006 £'000	Six months ended 31 August 2005 £'000
Purchases	8	5
Sales	6	2
	<u>14</u>	<u>7</u>

6. In accordance with stated policy no interim dividend has been declared for the period (2005 – nil).
7. 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 28 February 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 Thai Investment Trust PLC

## Introduction

We have been instructed by the Company to review the financial information for the six months ended 31 August 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 August 2006.

6 November 2006

**KPMG Audit Plc**  
Chartered Accountants  
Edinburgh

# Information about the Manager

## **Aberdeen Investment Trust Share Plan**

Aberdeen Asset Managers Limited ("AAM") runs a Share Plan (the "Plan") which covers a number of investment companies under its management including Aberdeen New Thai Investment Trust PLC. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £250 per trust, while regular savers may invest from just £100 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

## **Aberdeen Investment Trust Individual Savings Account**

The Aberdeen Investment Trust ISA (the "ISA") has been available from 6 April 1999. It aims to generate income and/or capital growth within a tax efficient environment. Investors can hold up to three components within an ISA: stocks and shares (including Investment Trusts), cash and life insurance. AAM offers both a Mini and Maxi stocks and shares ISA, but does not offer the cash or life insurance components.

### **Maxi ISA**

The Maxi ISA offers a wide range of AAM managed or advised Investment Companies including emerging markets and specialist trusts. The Maxi ISA does not have a cash or life insurance component. An investment of up to £7,000 can be made in the tax year 2006/2007.

### **Mini ISA**

AAM offers a Mini ISA which will enable investors to invest up to £4,000 in the Aberdeen Investment Trusts in the tax year 2006/2007.

There are no brokerage or initial charges for the Aberdeen Investment Trust ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA management charge is £24 + VAT, calculated monthly and deducted from income half yearly. Under current legislation, trusts can grow free of income or capital gains tax. In the case of dividends from equity assets held within an ISA or a PEP, a 10% tax credit was reclaimed until 5 April 2004, when the tax credit was abolished.

### **PEP Transfer**

PEPs are an easy way to make medium and long term tax efficient investments in stock markets. All income and capital gains are free of tax. Since 5 April 1999 no further subscriptions can be made into a PEP. You can however transfer existing PEPs to AAM. The minimum lump sum for a PEP transfer is £1,000 and is subject to a minimum per trust of £250.

### **Trust Information**

If investors would like details of any trust managed by AAM, or information on the Share Plan or ISA please telephone 0500 00 00 40 or write to Aberdeen Asset Managers Limited, 10 Queen's Terrace, Aberdeen AB10 1YG or e-mail [inv.trusts@aberdeen-asset.com](mailto:inv.trusts@aberdeen-asset.com). Details are also available by accessing the AAM website: <http://www.aberdeen-asset.com>

The information above is issued and has been approved for the purposes of the Financial Services and Markets Act 2000 by Aberdeen Asset Managers Limited, One Bow Churchyard, Cheapside, London EC4M 9HH which is authorised and regulated by the Financial Services Authority.

# Corporate Information

<b>Directors</b>	Keith Falconer, Chairman Peter Bristowe John Rickards Hugh Young
<b>Alternate Director</b>	Peter Hames (alternate to Hugh Young)
<b>Manager</b>	Aberdeen Asset Management Asia Limited 21 Church Street #01-01 Capital Square Two Singapore 049480
<b>Secretaries &amp; Registered Office</b>	Aberdeen Asset Management PLC One Bow Churchyard Cheapside London EC4M 9HH Registered in England & Wales No. 2448580
<b>Registrars</b>	Lloyds TSB Registrars The Causeway Worthing West Sussex BN99 6DA Shareholder helpline: 0870 601 5366 (Calls charged at National Call Rate)
<b>Bankers</b>	Allied Irish Banks p.l.c. St Helen's Undershaft London EC4A 8AB
<b>Solicitors</b>	Maclay Murray & Spens One London Wall London EC2Y 5AB
<b>Stockbrokers</b>	Winterflood Securities Limited The Atrium Building Cannon Bridge 25 Dowgate Hill London EC4R 2GA
<b>Auditors</b>	KPMG Audit Plc Chartered Accountants Saltire Court 20 Castle Terrace Edinburgh EH1 2EG
<b>Website</b>	<a href="http://www.newthai-trust.co.uk">www.newthai-trust.co.uk</a>



