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Aberdeen  
*New Thai*  
Investment Trust PLC



Above average returns through capital growth from  
investment in Thailand

Annual Report & Accounts  
**Year ended**  
**28 February 2003**

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# Financial Calendar

<b>8 May 2003</b>	Announcement of results for year ended 28 February 2003
<b>12 June 2003</b>	Annual General Meeting
<b>27 June 2003</b>	Final dividend payable for year ended 28 February 2003
<b>October 2003</b>	Announcement of interim results for the six months ending 31 August 2003



Aberdeen  
*New Thai*  
Investment Trust PLC

## Corporate Policy

### **Investment Objective and Benchmark Index**

The investment objective of the Company is to provide Shareholders with a high level of long-term, above-average capital growth through investment in Thailand. The Company compares its performance with the currency-adjusted Stock Exchange of Thailand Index (SET).

### **Risk**

The Company invests entirely in shares listed on the Thai stock market. This carries the inherent risk in specialising investment in one geographic area. Currency fluctuations may affect the value of the Company's investments and of the income derived therefrom. Companies in Thailand are not, in all cases, subject to the equivalent accounting, auditing and financial standards of those in the United Kingdom. There may therefore be less supervision and regulation in this respect.

### **Duration**

The Company does not have a maximum fixed life. However, under the Articles of Association of the Company if in the 12 weeks preceding the Company's financial year end (28 February) the Ordinary shares have been trading, on average, at a discount in excess of 15%, to the underlying net asset value over the same period, notice will be given of a special resolution to be proposed at the following Annual General Meeting that the Company be put into voluntary liquidation. In the 12 weeks to 28 February 2003 the Ordinary shares traded at an average discount of 19.24%, to the underlying net asset value, therefore a special resolution to put the Company into voluntary liquidation will be proposed at the Annual General Meeting.

The Directors recommend strongly that Shareholders

vote against this liquidation resolution, as set out in the Chairman's Statement.

### **Capital Structure**

The Company has a capital structure comprising Ordinary shares only following the final exercise of Warrants in July 1996.

### **PEP and ISA Status**

The Company intends to manage its affairs so that the shares will be a qualifying investment for inclusion in a PEP or ISA.

### **Management Agreement**

The Company has an agreement with Aberdeen Asset Management Asia Limited ('AAM Asia') for the provision of management services, details of which are shown in note 3 to the financial statements.

# Corporate Information

## Directors

Alan Henderson, Chairman  
Jean-Pierre LeClef d'Anvers  
John Rickards  
Hugh Young (alternate – Peter Hames)

## Manager

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

## Secretaries & Registered office

Aberdeen Asset Management PLC  
One Bow Churchyard  
Cheapside  
London EC4M 9HH  
Registration number: 2448580

## Registrars

Lloyds TSB Registrars Scotland  
PO Box 28448  
Finance House  
Orchard Brae  
Edinburgh EH4 1WQ  
Shareholder helpline: 0870 601 5366  
(Calls charged at National Call Rate)

## Solicitors

The City Law Partnership  
99 Charterhouse Street  
London EC1M 6NQ

## Stockbrokers

Close Brothers Securities  
The Atrium Building  
Cannon Bridge  
25 Dowgate Hill  
London EC4R 2GA

## Auditors

KPMG Audit Plc  
Chartered Accountants  
37 Albyn Place  
Aberdeen AB10 1JB

## Bankers

Bank of Scotland  
Corporate Banking (Scotland)  
38 Albyn Place  
Aberdeen AB10 1ZS  
J P Morgan Chase Bank  
125 London Wall  
London EC2Y 5AJ

## Custodian Bankers

State Street Bank and Trust Company  
One Canada Square  
London E14 5AF

Website: [www.newthai-trust.co.uk](http://www.newthai-trust.co.uk)

## Board Members

### Chairman

**Alan Henderson\*†**, aged 69, Chairman of the Company, is chairman of Energy Capital Investment Company PLC. He is also a director of Aberdeen New Dawn Investment Trust PLC and Global Energy Development Ltd.

### Directors

**Jean-Pierre LeClef d'Anvers\*†**, aged 61, is an independent consultant and advisor specialising in property investments and developments. He has dual British and Belgian nationality. Until 1993, he held several senior positions with major international companies and during that time was based in Bangkok for five years. He is also a director of Aspria S.A., La Rasante S.A, and Obersee GMBH.

**John Rickards\*†**, aged 63, has over 30 years' experience in the securities industry gained with W Greenwell & Co, Samuel Montagu and Cazenove & Co. He was most recently an associate director of Albert E Sharp Asset Management and is currently a director of Liontrust Winners Investment Trust PLC, Pavilion Geared Recovery Trust and London and International Mercantile Limited.

**Hugh Young**, aged 44, was an investment manager with Fidelity International and MGM Assurance prior to joining what is now Aberdeen Asset Managers Limited in December 1985. He is managing director of Aberdeen Asset Management Asia Limited, responsible for all investment in the Far East.

*†Member of the Audit Committee and Independent Director.*

*\*Member of the Management Engagement Committee. All of the Directors are non-executive and together form the Nomination Committee.*

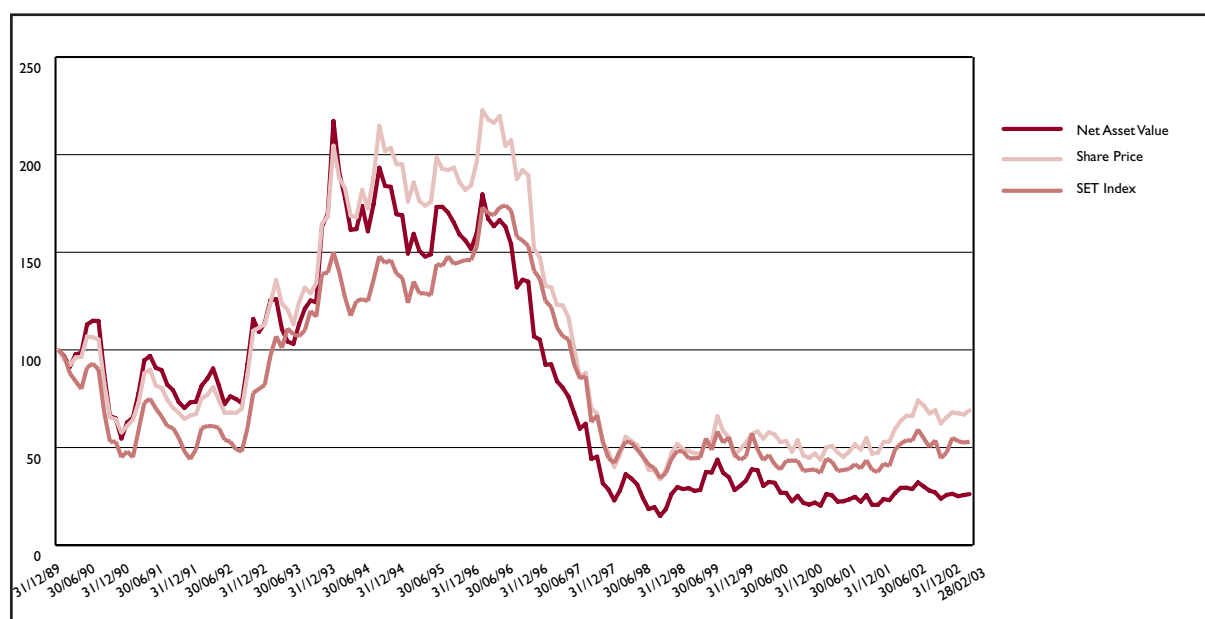
## Manager

Aberdeen Asset Management Asia Limited is the Manager of the Company. It is a subsidiary of Aberdeen Asset Management PLC whose Group Companies as at 31 March 2003 managed a combined £20 billion for institutions, unit trusts, investment trusts, closed end investment funds, private clients and offshore funds.

# Performance Summary

	Inception			Since	Year on
	22.12.89	28.02.02	28.02.03	Inception	Year
				%	%
<b>Ordinary share</b>					
Net asset value per share	97.93p	62.30p	68.16p	(30.4)	9.4
Share price (mid-market)	97.50p	52.00p	53.00p	(45.6)	1.9
Discount %	–	16.5%	22.2%	–	–
Highest net asset value per share in year	–	62.25p	74.94	–	20.4
Lowest net asset value per share in year	–	41.10p	60.72	–	47.7
Highest price (mid-market) in year	–	52.50p	61.00p	–	16.2
Lowest price (mid-market) in year	–	35.50p	42.50p	–	19.7
<b>Revenue and dividends</b>					
Earnings per Ordinary share	–	1.03p	2.16p	–	109.7
Dividends per Ordinary share	–	1.00p	1.60p	–	60.0
<b>Assets attributable to equity Shareholders (£m)</b>	14.69	11.27	12.34	(16.0)	9.5
<b>Benchmark index</b>					
Stock Exchange of Thailand (SET) index (currency adjusted)	20.50	6.02	5.36	(73.9)	(11.0)

## Net asset value (undiluted), share price and SET index (currency adjusted)



## Chairman's Statement

Against the backdrop of a shaky global economy and major geopolitical concerns, which have hit many of the world's equity markets, I am happy to report that Thailand has been a relative safe haven. During the year under review, your Company's net asset value per share indeed rose by 9.4% from 62.30p to 68.16p, outperforming the currency-adjusted Stock Exchange of Thailand Index, which fell 11.0%. I am also pleased to recommend a dividend of 1.60p, which reflects the healthy state of the underlying companies in which we invest.

Thailand's economy has been one of the fastest growing in Asia, with real GDP growth of 5.2% in 2002, and we currently expect a further 4% rise in 2003. Various factors have contributed to this position. Much can be attributed to a "normalisation" after the savage consequences of the bubble of confidence and of overspending which burst in 1997 and which a series of measures over the last few years have addressed. More immediately, low interest rates have spurred a recovery in consumer spending and demand for new housing. Exports, and one must remember that Thailand has a broad export sector ranging from commodities to manufactured goods such as electronic components and car parts, have also been healthy, partly due to the country's natural cost advantages.

Meanwhile, the government of prime minister Thaksin has adopted stimulative policies largely focussed on domestic consumption, but also extending to major infrastructure projects, such as Bangkok's new international airport at Suvaranabhumi, which has already broken ground.

We have fared well at the stock level because of our fund managers' concentration on primary research and due diligence. As a result, we have a large amount of the overall portfolio invested in medium to smaller capitalised stocks, where the features are strong balance sheets, focussed businesses and low valuations. This has also led to an ability to pay decent dividends. Companies such as Prakit & FCB (a leading advertising agency), Amarin Printing (a publisher of consumer interest magazines), Thai Reinsurance (Thailand's only local reinsurer) and Goodyear (the Thai subsidiary of the multinational tyre company) are good examples. We have notably avoided exposure to the banks where we still have concerns about the treatment of non-performing loans and have little exposure to the highly competitive telecommunications sector.

Looking forward, we remain optimistic about the outlook for the Thai stock market. At the time of writing, according to our fund managers' estimates, your underlying portfolio of shares trades on a price/earnings multiple of 10.3 for calendar 2003, a historic yield of 5.2% (pre-expenses) and a historic debt/equity ratio of 32%. This makes Thailand one of the cheapest stock markets in Asia, which itself looks cheap when compared to other regions of the world.

Finally, Shareholders will be aware from previous years that the Company's Articles of Association require a resolution to be proposed at the Annual General Meeting to wind up the Company if the shares have traded at an average discount to net asset value above 15% during the twelve week period immediately prior to the Company's year end. In the 12 week period to 28 February 2003 the shares traded at an average discount of 19.24%. Consequently, the Directors are obliged to propose a special resolution at this year's Annual General Meeting to wind up the Company voluntarily. The Board strongly urges Shareholders to vote against this resolution and enclose a circular setting out the reasons why.

8 May 2003

**Alan Henderson**  
Chairman

# Investment Portfolio

As at 28 February 2003

<b>Company</b>	<b>Sector</b>	<b>Valuation £'000</b>	<b>Net assets* %</b>
Thai Reinsurance	Insurance	1,107	8.31
Amarin Printing & Publishing	Publishing	1,045	7.85
PTT Exploration & Production	Energy	953	7.16
Eastern Water	Water	939	7.05
Hana Microelectronics	Electrical Products & Computers	843	6.33
Goodyear Thailand	Transportation	712	5.35
Sammakorn	Property	651	4.89
Regional Container Line	Transportation	638	4.79
Bangkok Insurance	Insurance	623	4.68
Phatra Insurance	Insurance	598	4.49
<b>Top ten investments</b>		<b>8,109</b>	<b>60.90</b>
Alucon	Packaging	552	4.14
Central Pattana Public	Property	457	3.43
Siam City Cement	Building & Construction	457	3.43
MFC Asset Management	Finance & Securities	374	2.81
Prakit FCB	Professional Services	356	2.67
Advanced Info Services	Communication	346	2.60
Compass East Industry	Manufacturing	327	2.46
Capital Nomura Securities	Finance & Securities	310	2.33
Ratchaburi Electricity Generating Holding	Energy	309	2.32
Tisco Finance	Finance & Securities	308	2.31
<b>Top twenty investments</b>		<b>11,905</b>	<b>89.40</b>
Haad Thip	Food & Beverages	294	2.21
Siam Makro	Retail	292	2.19
Thai Stanley Electric	Auto Components	288	2.16
Post Publishing	Publishing	250	1.88
Wiik & Hoeglund	Building & Construction	209	1.57
Serm Suk Public	Food & Beverages	184	1.38
<b>Total investments</b>		<b>13,422</b>	<b>100.79</b>
<b>Net current liabilities and provisions for liabilities and charges*</b>		<b>(104)</b>	<b>(0.79)</b>
<b>Net assets*</b>		<b>13,318</b>	<b>100.00</b>

\* Excluding bank loans (see note 11).

# Sector Analysis

As at 28 February 2003

Sector	2003		2002	
	SET weighting %	Portfolio weighting %	SET weighting %	Portfolio weighting %
Auto Components	–	2.1	–	–
Banking	18.1	–	22.1	–
Building & Furnishing Materials	12.4	5.0	8.6	9.3
Commerce	2.4	–	2.8	–
Communication	9.6	2.6	13.4	1.6
Electrical Products & Computers	0.9	6.3	0.8	6.0
Energy	15.4	9.4	13.9	19.2
Finance & Securities	4.7	7.4	5.9	6.9
Foods & Beverages	2.1	3.6	2.1	2.8
Healthcare Services	0.4	–	0.2	–
Insurance	1.5	17.3	1.2	14.7
Manufacturing	–	2.4	–	2.3
Packaging	0.7	4.1	0.3	4.2
Professional Services	0.1	2.6	–	2.9
Property Development	6.4	8.3	4.0	3.4
Printing & Publishing	0.5	9.7	0.4	8.9
Retail	–	2.2	–	2.7
Transportation	3.7	10.0	3.4	9.9
Water	–	7.0	–	5.2
Miscellaneous	21.1	–	20.9	–
<b>Total investments</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

# Directors' Report

The Directors present their Report and the audited financial statements for the year ended 28 February 2003.

## Review of the business

A review of the Company's activities is given in the Chairman's Statement on page 5.

## Results and dividends

A final dividend of 1.60p per share, which will absorb £289,000, has been proposed and if approved will be payable on 27 June 2003 to Shareholders on the register at the record date of 13 June 2003. The dividend payment will leave £101,000 to be transferred to the revenue reserve.

## Principal activity

The business of the Company is that of an investment trust investing in Thailand.

## Status

The Company has been approved by the Inland Revenue as an approved investment trust company for the purposes of Section 842 of the ITCA 1988 for the year ended 28 February 2002. The Directors are of the opinion under advice, that the Company has conducted its affairs for the period ended 28 February 2003 so as to be able to continue to obtain approval as an investment trust.

Following changes in legislation, the Company's shares now qualify as an eligible security in a PEP, providing that the investment is funded from proceeds raised from the sale of an existing PEP holding. The Company intends to manage its affairs so as to be a qualifying investment for inclusion in the stocks and shares component of an Individual Savings Account and it is the Directors' intention that the Company should continue to be a qualifying trust.

## Directors

The current Directors of the Company are shown on page 2 and brief biographical details on page 3. In accordance with the Articles of Association, Mr Henderson will retire by rotation at the Annual General Meeting to be held on 12 June 2003 and, being eligible, offers himself for re-election.

The Directors at the year end and their beneficial interests in the share capital of the Company both at 28 February 2003 and at 1 March 2002 were as follows:

	<b>At 28 February 2003</b>	<b>At 1 March 2002</b>
	<b>Ordinary shares</b>	<b>Ordinary shares</b>
A B Henderson	3,000	3,000
J-P LeClef d'Anvers	3,000	–
J A Rickards	58,071	41,788
H Young	106,000	106,000

None of the Directors had a non-beneficial interest in the share capital of the Company at 28 February 2003 or at 1 March 2002.

With the exception of Mr Rickards, who has increased his holding of Ordinary shares by 744 pursuant to his participation in the Aberdeen Investment Trust Share Plan, the above interests were unchanged at the date of this Report.

# Directors' Report

No Director has a service contract with the Company.

Mr H Young is a director of Aberdeen Asset Management Asia Limited. Aberdeen Asset Management Asia Limited is entitled to receive fees under the Management Agreement described in note 3. No other Directors had interest in contracts with the Company.

## **Special Business at Annual General Meeting**

As in future years the Board considers that it would be advantageous to shareholders for the Company to have the ability to make such purchases as and when it considers the timing to be favourable. The use of the authority, if given, will depend upon market conditions and the Board's judgement of its likely effectiveness in increasing net assets values.

In accordance with Article 160 of the Company's Articles of Association, a special resolution is being proposed for the Company to be wound up voluntarily. The attention of all Shareholders is drawn to the response from the Board to resolution 7 which is contained in the Circular which accompanies the Report and Accounts.

## **Corporate Governance**

The Board has put in place a framework for corporate governance which it believes is suitable for an investment trust.

The Board considers that the Company has complied with the provisions contained within Section 1 of the Principles of Good Governance and Code of Best Practice ("the Combined Code") prepared by the Committee on Corporate Governance published in June 1998, throughout this accounting period, except where indicated below. The following statement describes how the relevant principles of governance are applied to the Company.

### *The Board*

The Board currently consists of four non-executive Directors, the majority of whom are independent of the Company's Investment Manager and free from any business or other relationships which could materially interfere with the exercise of its independent judgement. Mr Henderson is the non-executive Chairman of the Company and has also been nominated as the senior non-executive Director. Given the size and composition of the Board it is not felt necessary to separate the roles of Chairman and senior non-executive Director. From their biographies on page 3 it will be seen that the Board has a breadth of experience relevant to the Company. The Articles of Association provide that the number of Directors nearest to, but not greater than, one third of the Board retire by rotation every year. Accordingly Mr Henderson will retire, and being eligible, offers himself for re-election at the forthcoming Annual General Meeting. There is no requirement for Directors to be re-elected every three years. Consideration will be given to altering the Articles of Association in due course to make them comply with the Combined Code on this subject. However, this is unlikely to be undertaken until the Company requires a general redrafting of the Articles.

The Board meets regularly and between these formal meetings there is regular contact with the Investment Manager. The Directors also have access to the Company Secretary and, where necessary in the furtherance of their duties, to independent professional advice at the expense of the Company.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply

# Directors' Report

with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and prevent fraud and other irregularities.

The Board has delegated the following areas of responsibility:

## *Management and Administration*

Subject to the direction of the Board, the management of the investment portfolio and the administration of the Company has been delegated to Aberdeen Asset Management PLC (“AAM”) and its subsidiaries. Custody and settlement services are undertaken by State Street Bank and Trust Company, a subsidiary of State Street Corporation. The Board has delegated the exercise of voting rights attaching to the Company’s investments to the Investment Manager.

All other matters are reserved for the approval of the Board.

## *Board Committees*

The Board as a whole fulfils the function of a Nomination Committee, with Mr Henderson as Chairman, which meets when necessary to select and propose suitable candidates for appointment. Given the size and composition of the Board it is not felt appropriate to establish separate nomination and remuneration committees.

Separate Audit and Management Engagement Committees have been established. The Audit and Management Engagement Committees, with Mr Rickards as Chairman, each consist of Directors independent of the Investment Manager. The Audit Committee examines the effectiveness of the Company’s internal controls system and receives information from the Investment Manager’s internal audit and compliance departments and the auditors, KPMG. The Committee reviews all announcements of the Company and the interim and annual reports prior to sign off. The Management Engagement Committee keeps under review the terms of the Management Agreement.

## *Internal Controls*

The Board is ultimately responsible for the Company’s system of internal control and for reviewing its effectiveness. Following publication of ‘Internal Control: Guidance for Directors on the Combined Code’ (the Turnbull guidance), the Board confirms that there is an ongoing process for identifying, evaluating and managing the material risks faced by the Company. This process has been in place for the year under review and up to the date of approval of this Annual Report and Accounts, and is regularly reviewed by the Board and accords with the guidance. The Board has reviewed the effectiveness of the system of internal control. In particular, it has reviewed and updated the process for identifying and evaluating the significant risks affecting the Company and the policies by which these risks are managed. The material risks faced by the Company are identified as follows:

- financial;
- operational;
- compliance; and
- risk management.

The key components designed to provide effective internal control are outlined below:

- The Investment Manager prepares forecasts and management accounts which allow the Board to assess the Company’s activities and review its performance;
- The Board and Investment Manager have agreed clearly defined investment criteria, specified levels of authority and exposure limits. Reports on these issues, including performance statistics and investment valuations, are regularly submitted to the Board. The Investment Manager’s evaluation procedure and financial analysis of the companies concerned include detailed appraisal and due diligence;

# Directors' Report

- As a matter of course the compliance department of AAM continually reviews the Investment Manager's operations;
- Written agreements are in place which specifically define the roles and responsibilities of the Investment Manager and other third party service providers;
- The Board has considered the need for an internal audit function, but because of the internal control system in place at the Investment Manager, has decided to place reliance on the Investment Manager's systems and internal audit procedures; and
- At its April Board meeting, the Board carried out an annual assessment of internal controls for the year ended 28 February 2003 by considering documentation from the Investment Manager, including their internal audit and compliance functions and taking account of events since 28 February 2003.

The internal control systems are designed to meet the Company's particular needs and the risks to which it is exposed, and by their nature can only provide reasonable and not absolute assurance against misstatement and loss.

## *Financial Statements*

The Directors' responsibilities regarding the financial statements are set out on page 15. The Directors acknowledge that their responsibility to present a balanced and understandable assessment extends to interim and other price sensitive reports, and reports to regulators as well as to information required to be presented by statutory requirements.

## **Going concern**

Notwithstanding the resolution to be put to Shareholders for a liquidation of the Company, as explained in the Chairman's Statement, the Directors have considered whether it is appropriate for the accounts to be prepared on a going concern basis. The key reasons why your Board and the Manager believe that Shareholders' interests are best served by the continuation of the Company in its present form are:

### **1. Company's Performance Record**

- The Board and Manager have for the last two years recommended that Shareholders vote against a liquidation of the Company. Your Board believes this position has been justified by the Company's strong performance over the period. During the period since the defeat of the first resolution until 28 February 2003, Shareholders have benefitted from a 36.37% increase in NAV and 26.19% increase in share price.
- The Manager has outperformed the Company's benchmark index, the SET Index, by a wide margin in the last financial year, the Net Asset Value rising by 9.41%, 20.37% ahead of the SET Index.
- The Net Asset Value has outperformed the SET Index from the launch of the Company to 28 February 2003 by 43.50%.

### **2. Potential Reduction in Value**

- Early termination provisions contained in the Company's agreements with the Manager and the administrator will incur costs which will reduce the value of the assets available for distribution upon a forced liquidation.
- A forced liquidation of the portfolio would result in a significant reduction in Net Asset Value.

### **3. Thai Economy**

- The Board and Manager believe that the Thai stock market has further potential to provide Shareholders with an excellent return and that now is not an opportune time to be liquidating the portfolio.

# Directors' Report

## 4. Corporate Structure

- Total annual expenses of the Company, capped as promised last year, were 1.59% of Net Asset Value in the last financial year.

## 5. Lack of Alternative Investments

- The closed-end structure of the Company is attractive for long term investment in the Thai market.
- Shareholders would have no similar route for investment in Thailand.

Based on the above, although there can be no certainty of the outcome, the Directors have no reason to believe that the Shareholders will vote in favour of the resolution for a liquidation of the Company and have therefore continued to use the going concern basis of preparation. These financial statements do not include any adjustments that would result from this basis being inappropriate.

## Relations with Shareholders

The Investment Manager maintains a regular dialogue with institutional shareholders, the feedback from which is reported to the Board. In addition Board members and representatives of the Investment Manager are available to answer Shareholders' questions at the Annual General Meeting of the Company.

The Secretaries are available to answer general Shareholder queries at anytime.

## Substantial interests

The Board has been advised that the following Shareholders owned 3% or more of the issued share capital of the Company at 1 May 2003, being the nearest practicable date prior to the signing of this Report.

Shareholder	Number of shares held	% held
Funds managed by Aberdeen Asset Managers Limited	3,292,000	18.19
Aberdeen Investment Trust Share Plans (Non-beneficial)	2,411,363	13.33
RT Capital Management	1,104,200	6.10
Funds managed by Exeter Asset Management Limited	1,000,000	5.53
SG Securities	644,000	3.56
Funds managed by Lazard Asset Management Limited	600,000	3.32

## Creditor payment policy

It is the policy of the Company to settle all investment transactions in accordance with the terms and conditions of the relevant market in which it operates. All other expenses are paid on a timely basis in the ordinary course of business. The Directors do not consider any creditors to represent trade creditors.

## Auditors

Our auditors, KPMG Audit Plc, have indicated their willingness to remain in office. The Directors will place a resolution before the Annual General Meeting to re-appoint KPMG Audit Plc as auditors for the ensuing year, and to authorise the Directors to determine their remuneration.

One Bow Churchyard  
Cheapside, London EC4M 9HH  
8 May 2003

By order of the Board  
**Aberdeen Asset Management PLC**  
Secretaries

# Directors' Remuneration Report

This Report is prepared in accordance with Schedule 7A of the Companies Act 1985, which applies to the Company for the first time this year.

## Remuneration Committee

As the Board of Directors is comprised solely of non-executive Directors, it is exempt under the Listing Rules from appointing a Remuneration Committee. The determination of the Directors' fees is a matter dealt with by the whole Board.

## Remuneration Policy

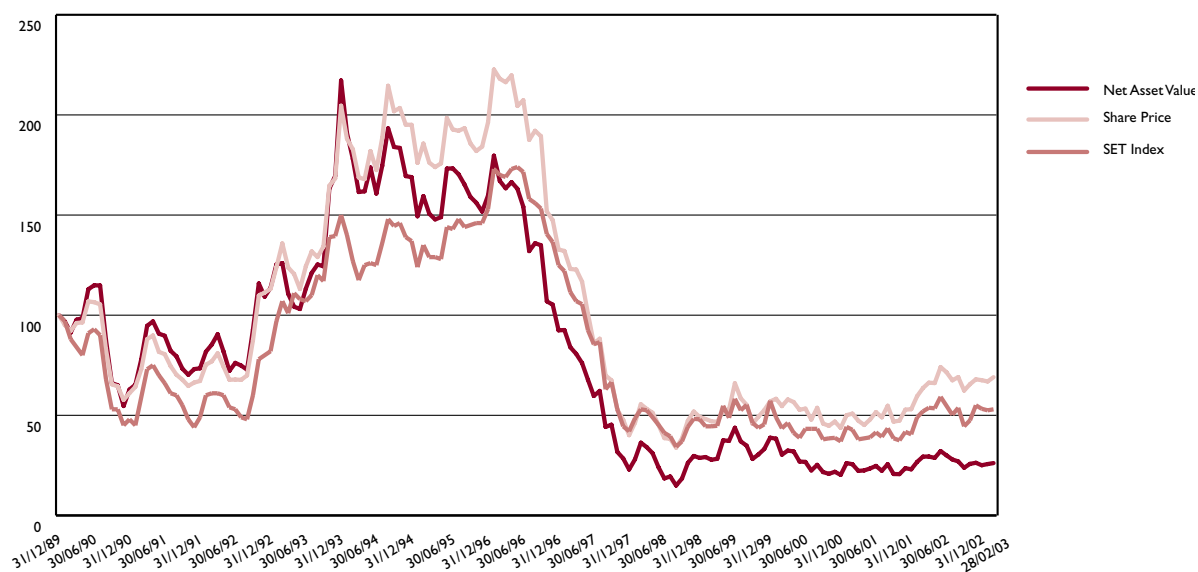
The Company's Articles of Association limit the aggregate fees payable to the Board of Directors to a total of £50,000 per annum. Subject to this overall limit, it is the Company's policy to determine the level of Directors' fees having regard to the level of fees payable to non-executive directors in the industry generally, the role that individual Directors fulfil in respect of Board and Committee responsibilities and the time committed to the Company's affairs.

No element of the Directors' remuneration is performance related.

A resolution to receive and adopt the Directors' remuneration will be proposed at the Annual General Meeting

## Total Shareholder return

The graph shown below illustrates the total Shareholder return for a holding in the Company's shares as compared to the Stock Exchange of Thailand ("SET") currency adjusted Index for the period since the launch of the Company until 28 February 2003. The Company considers the SET to be the most appropriate index against which to measure the Company's performance.



## Directors' Remuneration Report (continued)

### Service Contracts

None of the Directors operate under a service contract with the Company. The Company's Articles of Association provide that the number of Directors nearest to, but not greater than, one third of the Board shall retire by rotation. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election, thereafter one third of the Directors who have been longest in office shall retire from office but, if there is only one Director who is subject to retire by rotation, he shall retire. There is no requirement for the Directors to be re-elected every three years. Consideration will be given to altering the Articles of Association in due course to make them comply with the Combined Code on this subject. However, this is unlikely to be undertaken until the Company requires a general redrafting of the Articles.

No Director past or present has any entitlement to pensions, and the Company has not awarded any share options or long-term performance incentives to any of the Directors.

Directors' and Officers' liability insurance cover is maintained by the Company on behalf of the Directors.

### Directors' emoluments (audited information)

<b>Director</b>	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
A B Henderson*	11	10
J-P LeClef d'Anvers	8	8
J A Rickards	8	8
H Young	8	8
	<b>35</b>	<b>34</b>

\* *Appointed Chairman 12 December 1989*

The amounts paid by the Company to the Directors were for services as non-executive directors.

By order of the Board  
**Aberdeen Asset Management PLC**  
Secretaries  
8 May 2003

## Statement of Directors' Responsibilities

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the total return for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

## Independent Auditors' Report to the Members of Aberdeen New Thai Investment Trust PLC

We have audited the financial statements on pages 17 to 28. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This Report is made solely to the Company's members, as a body, in accordance with section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Directors and Auditors**

The Directors are responsible for preparing the Annual Report and the Directors' Remuneration Report. As described above, this includes responsibility for preparing the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority, and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and transactions with the Company is not disclosed.

# Independent Auditors' Report to the Members of Aberdeen New Thai Investment Trust PLC (continued)

We review whether the statement on pages 9 to 11 reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by the Listing Rules, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, including the corporate governance statement and the unaudited part of the Directors' Remuneration Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

## **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

## **Going Concern**

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 to the financial statements concerning the uncertainty as to the outcome of the forthcoming resolution concerning the continuation of the Company. In view of the significance of this matter we consider that it should be brought to your attention but our opinion is not qualified in this respect.

## **Opinion**

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Company as at 28 February 2003 and of the total return of the Company for the year then ended; and
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985.

8 May 2003

**KPMG Audit Plc**  
Chartered Accountants  
Registered Auditor  
Aberdeen

## Statement of Total Return

	Notes	Year ended 28 February 2003			Year ended 28 February 2002		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	9	–	953	953	–	2,214	2,214
Income	2	851	–	851	567	–	567
Investment management fee	3	(123)	–	(123)	(94)	–	(94)
Administration expenses	4	(175)	–	(175)	(215)	–	(215)
Exchange gains	14	–	7	7	–	8	8
<b>Net return before finance costs and taxation</b>		553	960	1,513	258	2,222	2,480
Interest payable and similar charges	5	(21)	–	(21)	(6)	–	(6)
<b>Return on ordinary activities before taxation</b>		532	960	1,492	252	2,222	2,474
Taxation on ordinary activities	6	(142)	–	(142)	(63)	–	(63)
<b>Return on ordinary activities after taxation</b>		390	960	1,350	189	2,222	2,411
Dividends in respect of equity shares	7	(289)	–	(289)	(181)	–	(181)
<b>Transfer to reserves</b>	14	<b>101</b>	<b>960</b>	<b>1,061</b>	<b>8</b>	<b>2,222</b>	<b>2,230</b>
<b>Return per Ordinary share (pence):</b>	8	<b>2.16</b>	<b>5.30</b>	<b>7.46</b>	<b>1.03</b>	<b>12.15</b>	<b>13.18</b>

*The revenue column of this statement represents the revenue account of the Company.*

*The accompanying notes on pages 20 to 28 are an integral part of these financial statements.*

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

*No operations were acquired or discontinued in the year.*

## Balance Sheet

		<b>As at 28 February 2003</b>	<b>As at 28 February 2002</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed assets</b>			
Listed investments	9	13,422	11,140
<b>Current assets</b>			
Debtors	10	110	9
Cash at bank and in hand		239	438
		349	447
<b>Creditors: amounts falling due within one year</b>	11	(1,419)	(314)
<b>Net current (liabilities)/assets</b>		(1,070)	133
<b>Total assets less current liabilities</b>		12,352	11,273
<b>Provisions for liabilities and charges</b>	12	(18)	–
<b>Net assets</b>		<b>12,334</b>	<b>11,273</b>
<b>Capital and reserves</b>			
Called-up share capital	13	4,524	4,524
Share premium account	14	13,058	13,058
Other reserves:			
Capital redemption reserve	14	106	106
Capital reserve - realised	14	(3,601)	(3,204)
Capital reserve - unrealised	14	(2,476)	(3,833)
Revenue reserve	14	723	622
<b>Equity Shareholders' funds</b>		<b>12,334</b>	<b>11,273</b>
<b>Net asset value per Ordinary share (pence):</b>	15	<b>68.16</b>	<b>62.30</b>

The financial statements were approved by the Board of Directors on 8 May 2003 and were signed on its behalf by:

**Alan Henderson**

Chairman

*The accompanying notes on pages 20 to 28 are an integral part of these financial statements.*

## Cash Flow Statement

	Notes	Year ended 28 February 2003		Year ended 28 February 2002	
		£'000	£'000	£'000	£'000
<b>Net cash inflow from operating activities</b>	16		368		259
<b>Servicing of finance</b>					
Bank and loan interest paid		(19)		(6)	
<b>Net cash outflow from servicing of finance</b>			(19)		(6)
<b>Taxation</b>					
UK tax (paid)/recovered			(17)		1
<b>Financial investments</b>					
Purchases of investments		(4,578)		(1,462)	
Sales of investments		3,237		2,096	
<b>Net cash (outflow)/inflow from financial investment</b>			(1,341)		634
<b>Equity dividends paid</b>			(181)		(130)
<b>Net cash (outflow)/inflow before financing</b>			(1,190)		758
<b>Financing</b>					
Buyback of Ordinary shares		–		(176)	
Drawdown of loans		997		–	
			997		(176)
<b>(Decrease)/increase in cash</b>			<b>(193)</b>		<b>582</b>
<b>Reconciliation of net cash flow to movements in net (debt)/funds</b>					
(Decrease)/increase in cash as above			(193)		582
Cash inflow from drawdown of loans			(997)		–
<b>Change in net (debt)/funds resulting from cash flows</b>			(1,190)		582
Exchange movements			7		8
<b>Movement in net (debt)/funds in the year</b>			(1,183)		590
Opening net funds/(debt)			438		(152)
<b>Closing net (debt)/funds</b>	17		<b>(745)</b>		<b>438</b>

The accompanying notes on pages 20 to 28 are an integral part of these financial statements.

# Notes to the Financial Statements

For the year ended 28 February 2003

## I. Accounting policies

### (a) Basis of accounting and going concern

The financial statements have been prepared under the historical cost convention, as modified to include the revaluation of fixed asset investments, and in accordance with applicable Accounting Standards and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies". The financial statements have been prepared on a going concern basis. The Directors believe this is appropriate for the reasons outlined in the Directors' Report on page 11.

### (b) Valuation of investments

Quoted investments are valued at middle market prices. Where trading in the securities of an investee company is suspended the investment is valued at the Board's estimate of its net realisable value. Realised surpluses or deficits on the disposal of investments and permanent impairments in the value of investments are taken to capital reserve-realised, and unrealised surpluses and deficits on the revaluation of investments are taken to capital reserve-unrealised as explained in note 1(f) below.

### (c) Income

Dividends receivable on equity shares are brought into account on the ex-dividend date. Dividends receivable on equity shares where no ex-dividend date is quoted are brought into account when the Company's right to receive payment is established. Fixed returns on non-equity shares are recognised on a time apportioned basis so as to reflect the effective yield on shares. Other returns on non-equity shares are recognised when the right to return is established. The fixed return on a debt security is recognised on a time apportioned basis so as, if material, to reflect the effective yield on each such security. Where the Company has elected to receive its dividends in the form of additional shares rather than in cash, the amount of the cash dividend is recognised as income. Any excess in the value of the shares received over the amount of the cash dividend is recognised in capital reserves.

### (d) Expenses

All expenses are accounted for on an accruals basis. Expenses are charged through the revenue account except as follows:

- expenses which are incidental to the acquisition of an investment are included within the cost of the investment;
- expenses which are incidental to the disposal of an investment are deducted from the disposal proceeds of the investment.

### (e) Taxation

The charge for taxation is based on the net revenue for the year. Following the introduction of FRS19, deferred taxation is provided for using the full provision method on all timing differences, calculated at the rate at which it is anticipated the timing differences will reverse. Deferred tax assets are recognised only when, on the basis of available evidence, it is more likely than not that there will be taxable profits in the future against which the deferred tax asset can be offset.

### (f) Capital reserves

#### *Capital reserve - realised*

The following are accounted for in this reserve:

- gains and losses on the realisation of investments;
- realised exchange differences of a capital nature;
- realised gains and losses on transactions undertaken to hedge an exposure of a capital nature.

#### *Capital reserve - unrealised*

The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the year-end;
- unrealised exchange differences of a capital nature;
- unrealised gains and losses on transactions undertaken to hedge an exposure of a capital nature.

## Notes to the Financial Statements

### (g) Foreign currency

Overseas assets and liabilities are converted into sterling at the rate of exchange ruling at the balance sheet date. Transactions during the period involving foreign currencies are converted at the rate of exchange ruling at the transaction date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in capital or revenue depending on whether the gain or loss is of a capital or revenue nature respectively.

<b>2. Income</b>	<b>2003</b>	<b>2002</b>
<b>Income from investments</b>	<b>£'000</b>	<b>£'000</b>
Overseas dividends	845	562
<b>Other income</b>		
Deposit interest	6	5
<b>Total income</b>	<b>851</b>	<b>567</b>

<b>3. Investment management fee</b>	<b>2003</b>			<b>2002</b>		
	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Investment management fee	123	–	123	94	–	94

The Company has an agreement with Aberdeen Asset Management Asia Limited ('AAM Asia') for the provision of management services. During the year the management fee was payable monthly in arrears and was based on an annual amount of 1% of the net asset value of the Company valued monthly. The agreement is terminable on two years notice. The total of the fees paid and payable under the agreement was £123,000 (2002 - £94,000) and the balance due to AAM Asia at the year end was £20,000 (2002 - £18,000).

<b>4. Administration expenses</b>	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Share Plan marketing contribution	9	7
Directors' fees	35	34
Auditors' remuneration:		
– for audit	17	17
– for other services	1	4
Custodians activity charges	21	6
Other expenses	95	89
Professional fees	(3)	58
	<b>175</b>	<b>215</b>

The Company has an agreement with Aberdeen Asset Managers Limited ('AAM') for the provision of marketing services in relation to the Company's participation in the Aberdeen Investment Trust Share Plan and ISA. The total fees paid and payable under the agreement was £9,000 (2002 - £7,000).

## Notes to the Financial Statements

The emoluments of the Chairman were:	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
A B Henderson	<b>11</b>	<b>10</b>

The emoluments of the highest paid Director, being the Chairman, amounted to £11,000 (2002 - £10,000). The emoluments of the Directors who held office during the year fell into the following ranges:

	<b>2003</b>	<b>2002</b>
	<b>Number</b>	<b>Number</b>
£5,001 - £10,000	<b>3</b>	<b>4</b>
£10,001 - £15,000	<b>1</b>	<b>-</b>

The Company does not have any employees.

	<b>2003</b>			<b>2002</b>		
	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
<b>5. Interest payable and similar charges</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
On bank overdrafts	-	-	-	6	-	6
On bank loans	21	-	21	-	-	-
	<b>21</b>	<b>-</b>	<b>21</b>	<b>6</b>	<b>-</b>	<b>6</b>

	<b>2003</b>			<b>2002</b>		
	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>	<b>Revenue</b>	<b>Capital</b>	<b>Total</b>
<b>6. Tax on ordinary activities</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>(a) Analysis of tax charge for the year</b>						
Corporation tax @ 30%	115	-	115	63	-	63
Overseas taxation	68	-	68	46	-	46
Relief for overseas taxation	(59)	-	(59)	(46)	-	(46)
Current tax	124	-	124	63	-	63
Deferred taxation	18	-	18	-	-	-
	<b>142</b>	<b>-</b>	<b>142</b>	<b>63</b>	<b>-</b>	<b>63</b>

### **(b) Factors affecting tax charge for year**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK.

	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Revenue on ordinary activities before taxation	<b>532</b>	<b>252</b>
Revenue on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2002 - 30%)	160	76
<i>Effects of:</i>		
Marginal relief	(28)	(30)
Disallowable expenses	10	17
Other timing differences	(18)	-
Current tax	<b>124</b>	<b>63</b>

## Notes to the Financial Statements

### (c) Factors that may affect future tax charges

The Company has no surplus unused expenses.

	2003			2002		
	Revenue	Capital	Total	Revenue	Capital	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>7. Dividends and other appropriations</b>						
Dividends on equity shares:						
– final of 1.60p (2002 - 1.00p)	289	–	289	181	–	181

	2003			2002		
	Revenue	Capital	Total	Revenue	Capital	Total
	p	p	p	p	p	p
<b>8. Return per share</b>						
Ordinary	2.16	5.30	7.46	1.03	12.15	13.18

The revenue return per Ordinary share is based on net revenue after taxation of £390,000 (2002 - £189,000) and on 18,095,420 (2002 - 18,291,036) Ordinary shares, being the weighted average number of Ordinary shares in issue throughout the year.

The capital return per Ordinary share is based on a net capital return of £960,000 (2002 - £2,222,000) and on 18,095,420 (2002 - 18,291,036) Ordinary shares, being the weighted average number of Ordinary shares in issue throughout the year.

	2003	2002
	£'000	£'000
<b>9. Investments</b>		
Investments listed on a recognised investment exchange	13,422	11,140
Opening book cost	14,973	16,015
Opening unrealised depreciation	(3,833)	(6,455)
Opening valuation	11,140	9,560
<b>Movements in the year:</b>		
Purchases at cost	4,578	1,462
Sales – proceeds	(3,249)	(2,096)
– realised losses	(404)	(408)
Decrease in unrealised depreciation	1,357	2,622
Closing valuation	13,422	11,140

## Notes to the Financial Statements

	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Closing book cost	15,898	14,973
Closing unrealised depreciation	(2,476)	(3,833)
	<b>13,422</b>	<b>11,140</b>
Realised losses on sales	(404)	(408)
Decrease in unrealised depreciation	1,357	2,622
	<b>953</b>	<b>2,214</b>
	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<b>10. Debtors - amounts falling due within one year</b>		
Amounts due from brokers	12	–
Prepayments and accrued income	90	6
Other debtors	8	3
	<b>110</b>	<b>9</b>
	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
<b>11. Creditors - amounts falling due within one year</b>		
Bank loans	984	–
Dividend payable	289	181
Other creditors	90	116
Corporation tax payable	56	17
	<b>1,419</b>	<b>314</b>

During the year the Company drew down tranches of £500,000 and US\$762,150 from its revolving multi-currency credit facility with JP Morgan Chase Bank. Subsequent to the year end the Sterling tranche had been rolled over to 19 May 2003 at a rate of 6.6855% and the US\$ tranche had been rolled over to 31 July 2003 at a rate of 3.31%.

	<b>Deferred taxation on accrued income £'000</b>
<b>12. Provision for liabilities and charges</b>	
At 1 March 2002	–
Movement in year	18
At 28 February 2003	<b>18</b>

## Notes to the Financial Statements

	2003		2002	
	Authorised £'000	Issued and fully paid £'000	Authorised £'000	Issued and fully paid £'000
<b>13. Called-up share capital</b>				
Ordinary shares of 25p each	5,750	4,524	5,750	4,524

	Share premium account £'000	Capital redemption reserve £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000
<b>14. Reserves</b>					
At 1 March 2002	13,058	106	(3,204)	(3,833)	622
Exchange gains	–	–	7	–	–
Net loss on realisation of investments	–	–	(404)	–	–
Decrease in unrealised depreciation	–	–	–	1,357	–
Retained revenue for the year	–	–	–	–	101
At 28 February 2003	<b>13,058</b>	<b>106</b>	<b>(3,601)</b>	<b>(2,476)</b>	<b>723</b>

### 15. Net asset value per share

The net asset value per share and the net asset values attributable to Ordinary shares at the year end calculated in accordance with the Articles of Association were as follows:

	Net asset value per share		Net asset values attributable	
	2003 p	2002 p	2003 £'000	2002 £'000
Ordinary shares	<b>68.16</b>	<b>62.30</b>	<b>12,334</b>	<b>11,273</b>

The movements during the year of the assets attributable to Ordinary shares were as follows:

	2003 £'000	2002 £'000
Net assets attributable at 1 March	11,273	9,219
Gains on investments	953	2,214
Buyback of own shares	–	(176)
Exchange gains	7	8
Revenue on ordinary activities after taxation	390	189
Dividends appropriated in the year	(289)	(181)
Net assets attributable at 28 February	<b>12,334</b>	<b>11,273</b>

The basic net asset value per Ordinary share is based on net assets, and on 18,095,420 (2002 - 18,095,420) Ordinary shares, being the number of Ordinary shares in issue at the year end.

## Notes to the Financial Statements

<b>16. Reconciliation of net revenue on ordinary activities before tax to net cash inflow from operating activities</b>	<b>2003</b>	<b>2002</b>
	<b>£'000</b>	<b>£'000</b>
Net revenue before taxation and interest payable	553	258
Increase in accrued income	(80)	(1)
Increase in other debtors	(9)	(1)
(Decrease)/increase in other creditors	(28)	49
Overseas withholding tax suffered	(68)	(46)
Net cash inflow from operating activities	<b>368</b>	<b>259</b>

<b>17. Analysis of changes in net funds/(debt)</b>	<b>1 March</b>	<b>Cashflow</b>	<b>Exchange</b>	<b>28 February</b>
	<b>2002</b>	<b>£'000</b>	<b>movements</b>	<b>2003</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Cash at bank	438	(193)	(6)	239
Debts falling due within one year	–	(997)	13	(984)
Net funds/(debt)	<b>438</b>	<b>(1,190)</b>	<b>7</b>	<b>(745)</b>

### 18. Related party transactions

During the year Mr H Young resigned as a director of Aberdeen Asset Management PLC ('AAM'), but remains a director of its subsidiary Aberdeen Asset Management Asia Limited ('AAM Asia'). AAM Asia has an agreement to provide management services and AAM has an agreement to provide marketing services to the Company, the terms of which are outlined in notes 3 and 4.

### 19. Financial instruments

The Company's financial instruments comprise:

- Equity shares that are held in accordance with the Company's investment objectives, which are set out on page 1 of this Report and Accounts;
- Term loan, the main purpose of which is to raise finance for the Company's operations; and
- Cash and liquid resources that arise directly from the Company's operations.

The main risks arising from the Company's financial instruments are market price risk, foreign currency risk, interest rate risk and liquidity risk. The Board regularly reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged since the inception of the Company.

The Company has taken advantage of the exemption allowed under FRS 13, 'Derivatives and other Financial Instruments', and excluded short-term debtors and creditors from disclosures under financial instruments.

#### Market price risk

The management of market price risk is part of the fund management process and is typical of equity investment. The portfolio is managed with an awareness of the effects of adverse price movements through detailed analysis with the objective of maximising overall returns to shareholders. The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy.

Further information on the investment portfolio is set out on page 6.

# Notes to the Financial Statements

## Interest rate risk

### Financial assets

The majority of the Company's financial assets comprise equity shares which neither pay interest nor have a stated maturity date.

From time to time the Company invests in government bonds. Returns from these bonds are fixed at the time of purchase, as the fixed coupon payments are known, as are the final redemption proceeds. This means that if a bond is held until its redemption date, the total return achieved is unaltered from its purchase date. However, over the life of a bond the market price at any given time will depend on the market environment at that time. Therefore, a bond sold before its redemption date is likely to have a different price to its purchase level and a profit or loss may be incurred.

### Fair values – Financial assets

The investments held (see note 9) are valued at middle market prices which equate to their fair values. The fair value of all other financial assets is represented by their carrying value in the Balance sheet.

### Financial liabilities

The Company can finance its operation through use of an overdraft facility and short term loans. The Board sets borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis.

The interest rate profile of the Company at 28 February 2003 and 28 February 2002 is as follows:

Type	Total (as per Balance sheet) £'000		Floating Rate £'000		Financial assets on which no interest is paid £'000		Weighted average interest rate* %	
	2003	2002	2003	2002	2003	2002	2003	2002
<b>Assets</b>								
Equities	13,422	11,140	–	–	13,422	11,140	–	–
Cash at bank - Sterling	237	438	237	438	–	–	2.00	2.25
Cash at bank - US Dollars	2	–	2	–	–	–	0.10	–
	13,661	11,578	239	438	13,422	11,140	n/a	n/a
<b>Liabilities</b>								
Bank loan - Sterling	(500)	–	(500)	–	–	–	4.72	–
Bank loan - US Dollars	(484)	–	(484)	–	–	–	2.37	–
<b>Total</b>	<b>12,677</b>	<b>11,578</b>	<b>(745)</b>	<b>438</b>	<b>13,422</b>	<b>11,140</b>	<b>n/a</b>	<b>n/a</b>

\* The 'Weighted average interest rate' is based on the current yield of each asset, weighted by its market value. This excludes all equities and stocks where payments have been suspended.

### Foreign currency risk

The Company's total return and net assets can be significantly affected by currency translation movements as the majority of the Company's assets and revenue are denominated in currencies other than Sterling, which is the Company's functional currency.

## Notes to the Financial Statements

The principal area of foreign currency risk that the Manager has identified is where movements in exchange rates affect the value of investments. Therefore, the Manager may decide that a proportion of the investments that are not priced in Sterling are to be covered by forward currency hedges, so that the Company's exposure to foreign currency is reduced. There were no forward currency hedges on the portfolio during the year. The currency denominations of the Company's net assets are set out below:

Currency	Net monetary assets		Total currency exposure		Net monetary assets		Total currency exposure	
	Investments	assets	Investments	assets	Investments	assets	Investments	assets
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	2003	2003	2003	2002	2002	2002	2002	2002
Thailand Baht	13,422	–	13,422	11,140	–	–	11,140	–
Sterling	–	237	237	–	438	–	438	–
US Dollars	–	2	2	–	–	–	–	–
<b>Total</b>	<b>13,422</b>	<b>239</b>	<b>13,661</b>	<b>11,140</b>	<b>438</b>	<b>–</b>	<b>11,578</b>	<b>–</b>

### Liquidity risk

The Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. Short term flexibility is achieved through use of overdraft facilities. At the year end the Company had bank term loans of £984,000 (2002 - £nil), repayable within one year.

## Financial Record since launch (unaudited)

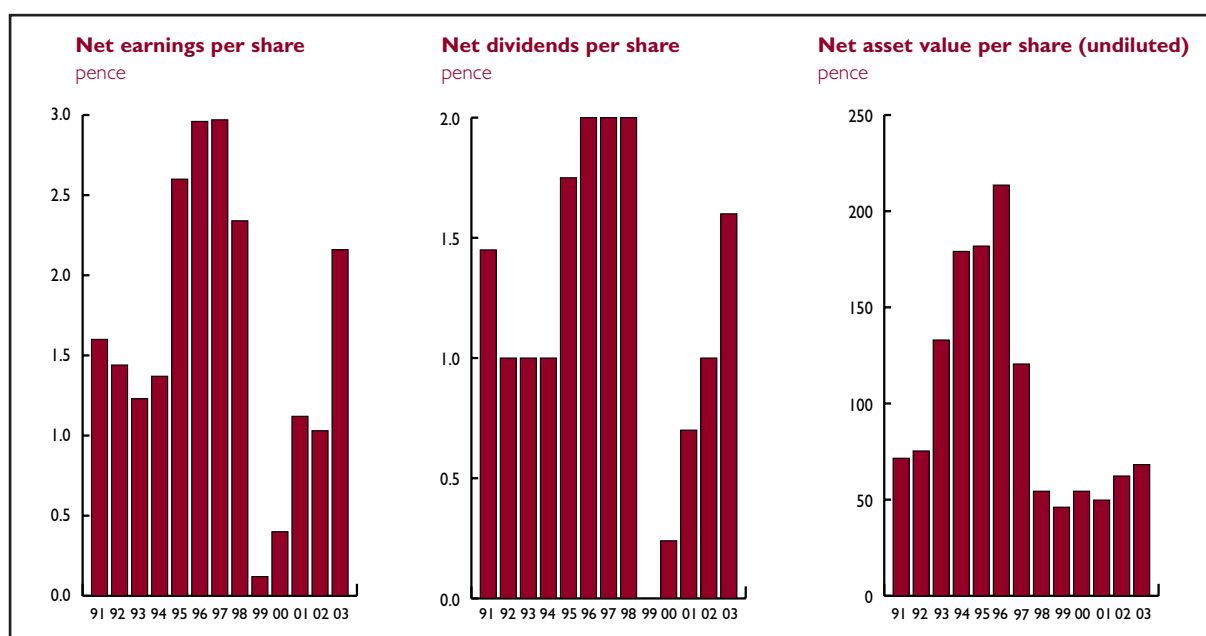
Year to 28 February	1991*	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Gross revenue (£'000)	670	522	514	630	1,003	1,140	1,242	959	276	361	560	567	851
<i>Per Ordinary share</i>													
Net earnings (pence)	1.60	1.44	1.23	1.37	2.60	2.96	2.97	2.34	0.12	0.40	1.12	1.03	2.16
Net dividends paid (pence)	1.45	1.00	1.00	1.00	1.75	2.00	2.00	2.00	–	0.24	0.70	1.00	1.60
Net asset value:													
Undiluted (pence)	71.53	75.33	133.02	179.08	181.86	213.56	120.54	54.39	46.08	54.39	49.78	62.30	68.16
Diluted (pence) †	71.53	75.33	127.52	165.90	168.22	198.44	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Equity Shareholders' funds (£'000)	10,729	11,300	19,953	26,862	27,279	33,322	21,264	9,594	8,534	10,073	9,219	11,273	12,334

The Company's Total Expense Ratio for the year ended 28 February 2003 was 1.59% (2002 - 1.78%) \*\*

\* For the period 1 December 1989 (date of incorporation) to 28 February 1991.

\*\* Total Expense Ratio calculated using the Fitzrovia post tax method.

† The final exercise of Warrants took place in July 1996.



## Performance Record since launch

### Indexed performance

(figures rebased

to 100 at 22 December 1989)

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
Net assets	73.0	76.9	135.8	182.9	185.7	218.1	123.1	55.5	47.1	55.5	50.8	63.6	69.6
SET Index (currency adjusted)	77.1	91.1	124.2	178.4	159.9	167.2	84.2	36.4	27.9	31.5	25.6	29.4	26.1

## Shareholder Information (unaudited)

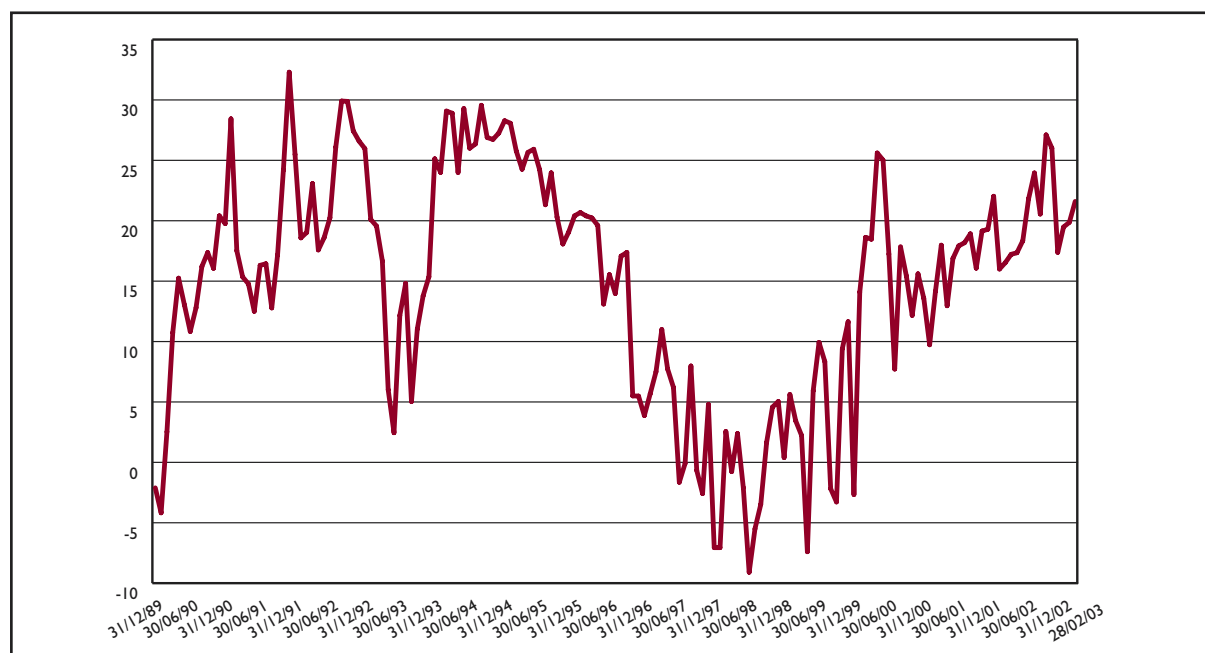
### Shareholder distribution

As at 28 February 2003 there were 18,095,420 Ordinary shares in issue. The distribution of these was as follows:

Range	Number of Ordinary shareholders	%	Number of Ordinary shares	%
1 – 1,000	200	26.53	119,634	0.66
1,001 – 5,000	315	41.78	837,282	4.62
5,001 – 10,000	106	14.06	813,570	4.50
10,001 – 100,000	105	13.93	2,936,079	16.23
100,001 and over	28	3.70	13,388,855	73.99
	<b>754</b>	<b>100.00</b>	<b>18,095,420</b>	<b>100.00</b>

In addition to the above shareholdings, there were 465 participants in the Aberdeen Investment Trust Share Plan, 53 members of the Aberdeen Investment Trust ISA at the date of this Report.

### Discount to fully diluted net asset value per share



### Net asset value

The net asset value of the Company's Ordinary shares is published daily and may be obtained by contacting Aberdeen Asset Managers Limited on 0500 00 00 40.

### Share prices

The prices of the Company's Ordinary shares are published daily in the *Financial Times*.

The share price is also available by accessing the internet at <http://www.aberdeen-asset.com>

### Stock Exchange codes

The SEDOL number of the Company's shares is 0005997 and the ISIN number is GB0000059971.

## 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 £50 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. 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 2003/2004.

### **Mini ISA**

AAM offers a Mini ISA which will enable investors to invest up to £3,000 in the Aberdeen Investment Trusts in the tax year 2003/2004.

There are no brokerage or initial charges for the 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 0.5% + 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 will be reclaimed until April 2004, when the tax credit will be abolished.

### **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, One Albyn Place, Aberdeen AB10 1YG or e-mail at [inv.trusts@aberdeen-asset.com](mailto:inv.trusts@aberdeen-asset.com). Details are also available by accessing the internet on the following page: <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 regulated by the FSA.*

## Marketing Strategy

Aberdeen New Thai Investment Trust PLC contributes to the marketing programme run by the Manager, Aberdeen Asset Managers Limited (“Aberdeen”), on behalf of a number of investment trusts under its management. This agreement will see the Company’s contribution matched by Aberdeen over its length and is worth £8,813 a year.

The purpose of the programme is to communicate effectively with existing Shareholders and gain more new Shareholders, thus improving liquidity and thereby enhancing the value and rating of the Company’s shares. Aberdeen’s experience has also shown that well-targeted marketing of the Company’s investment merits through packaged products, whether singly or in conjunction with income trusts run by Aberdeen, can be a cost-effective way of gaining new investors.

These aims can be met in several ways:

**Investor relations** Aberdeen runs an investor relations programme to existing and prospective institutional investors in investment trusts. Each month, institutional investors and prospects receive a Manager’s report on your Company that includes detailed performance analysis.

**Group schemes** The Manager runs a group Share Plan, PEP and ISA. These schemes allow investment free of dealing costs and with only nominal exit charges, have proved popular with private investors.

**Direct response advertising** The Manager has advertised the packaged product availability of the Trust over the past few years in selected surveys in national broadsheets as well as the specialist financial press.

**Direct mail** Periodic mail shots of information packs inviting named addressees to respond is a low-cost method of building awareness and investor databases. Target groups include existing holders of other Aberdeen investment trusts as well as known buyers of investment trusts.

**Newsletter** The ‘Bulletin’ newsletter, an informed commentary on markets and investment trusts managed by Aberdeen, is distributed free of charge twice a year, and shortly, quarterly.

**Public relations** The Manager undertakes to brief journalists, write regularly through placed articles and ensure Company results and any corporate activity are brought to public attention.

**Shareholder services** Aberdeen runs an investment help desk for retail enquirers and investors. Enquirers or investors will be sent any relevant literature on request and have queries answered immediately. The Marketing Programme is under the direction of Aberdeen’s Investment Trust Marketing Director, who has considerable experience in the marketing and communications of investment products. He is supported by a team of marketing professionals.

**Internet** The Aberdeen Investment Trusts web site contains a link to TrustNet, which allows web users to access real time information on the Company’s share price performance, yield, as well as historical data. The site is continuously being evaluated for improvement. The site is <http://www.aberdeen-asset.com>. The Company also has its own dedicated website which can be accessed at [www.newthai-trust.co.uk](http://www.newthai-trust.co.uk).

It is intended that ongoing Programme activities in these various fields will assist the Company to increase and maintain its Shareholder base, improve liquidity and sustain ratings.

The Company is committed to a close monitoring of the marketing programme. The marketing director of Aberdeen reports to the Board and provides a written summary quarterly.

If you have any questions about your Company, the Manager or performance, please telephone the Manager’s Customer Services Department (direct private investors) on 0500 00 00 40 or the Broker Desk on 0800 592 487 (Institutions and IFAs). Alternatively, internet users may e-mail the Manager on [inv.trusts@aberdeen-asset.com](mailto:inv.trusts@aberdeen-asset.com) or write to One Albyn Place, Aberdeen AB10 1YG.

# Notice of Meeting

Notice is hereby given that the eleventh Annual General Meeting of Aberdeen New Thai Investment Trust PLC will be held at One Bow Churchyard, Cheapside, London EC4M 9HH, at 12.30pm on Thursday 12 June 2003 for the following purposes:

To consider and, if thought fit, pass the following Resolutions of which Resolutions 1-5 will be proposed as Ordinary Resolutions, Resolutions 6-7 as Special Resolutions and Resolution 8 as an Extraordinary Resolution:

## Ordinary Business

1. To receive the Directors' report and financial statements for the year ended 28 February 2003, together with the auditors' report thereon.
2. Re-election of Mr Alan Henderson, a Director retiring by rotation, as a Director.
3. To approve the payment of a final dividend of 1.6p per Ordinary share.
4. To reappoint KPMG Audit Plc as auditors and to authorise the Directors to agree their remuneration.
5. To approve the Directors' Remuneration Report.

## Special Business

6. THAT, the Company be and is hereby generally and unconditionally authorised in accordance with Section 166 of the Companies Act 1985 ("the Act") to make market purchases (within the meaning of Section 163 of the Act) of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares"), provided that:
  - (a) the maximum number of Ordinary shares hereby authorised to be purchased is 2,712,503, being 14.99 per cent. of the issued 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 is 25p;
  - (c) the maximum price which may be paid for an Ordinary share is an amount equal to 105 per cent. of the average of the middle market quotations for an Ordinary share taken from the London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the Ordinary share is purchased;
  - (d) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2004 or, if earlier, on the expiry of 12 months from the passing of this resolution, unless such authority is renewed prior to such time;
  - (e) the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which will or may be executed wholly or partly after the expiration of such authority and may make a purchase of Ordinary shares pursuant to any such contract.
7. THAT
  - (1) in accordance with Article 160 of the Company's Articles of Association, the Company be wound up voluntarily;
  - (2) and Blair Carnegie Nimmo and Jeremy Simon Spratt ("the Liquidators") of KPMG acting jointly and severally be and they are hereby appointed joint Liquidators for the purposes of such winding up;
  - (3) the remuneration of the Liquidators be fixed on the basis of time properly spent by them as Liquidators and their staff in attending to matters arising in the winding-up and they be and are hereby authorised to draw such remuneration monthly or at longer intervals as they may determine; and

## Notice of Meeting

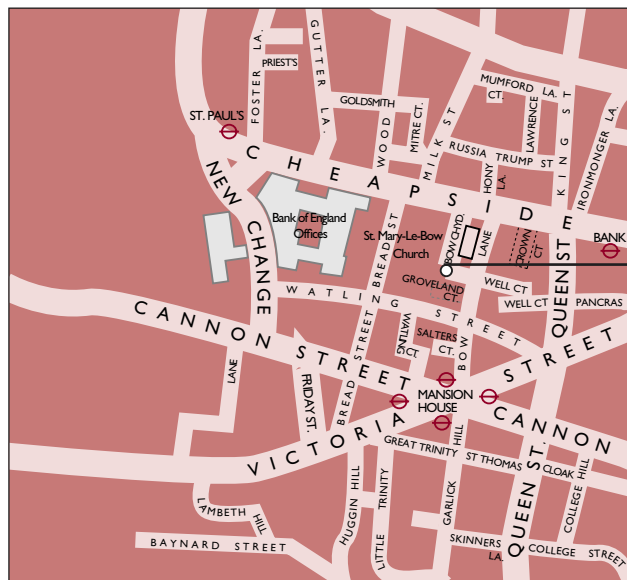
(4) any act required or authorised may be carried out by any one of the joint Liquidators in terms of Section 231 of the Insolvency Act 1986.

8. THAT conditional upon the passing of resolution 7 above, the Liquidators be sanctioned pursuant to section 165 of the Insolvency Act 1986 ("the Act") to exercise any of the powers specified in Part I of Schedule 4 of the Act.

One Bow Churchyard, Cheapside,  
London EC4M 9HH  
8 May 2003

By order of the Board  
**Aberdeen Asset Management PLC**  
Secretaries

# Notice of Meeting



**Aberdeen Asset Managers Limited**  
One Bow Churchyard, Cheapside, London

## Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member of the Company. A form of proxy is enclosed.
2. Instruments of proxy and the power of attorney or other authority, if any, under which they are signed or a notarially certified copy of that power of authority should be sent to The Registrars, Aberdeen New Thai Investment Trust PLC, Lloyds TSB Registrars, The Causeway, Worthing, BN99 6ZR so as to arrive not less than forty eight hours before the time fixed for the meeting.
3. In accordance with Regulation 41 of the Uncertificated Securities Regulations 2001, to have the right to attend and vote at the meeting referred to above a member must first have his or her name entered in the Company's register of members by not later than forty eight hours before the time fixed for the meeting (or in the event that the meeting is adjourned on the register of members forty eight hours before the time of the adjourned meeting). Changes to entries on that register after that time (or, in the event that the meeting is adjourned, on the register of members less than forty eight hours before the time of any adjourned meeting) shall be disregarded in determining the rights of any member to attend and vote at the meeting referred to above.
4. No Director has a service contract with the Company.
5. The Register of Directors' interests is kept by the Company in accordance with Section 325 of the Companies Act 1985 and will be open for inspection at the meeting.



# Capital Structure

**18,095,420** **Issued Share Capital**  
Ordinary shares of 25p

**Capital History**

**12 December 1989** 15,000,000 Ordinary shares of 25p each placed at 100p with 3,000,000 Warrants attaching, each conferring the right to subscribe for one Ordinary share of 25p for 100p.

**21 July 1995** 602,800 Ordinary shares of 25p each admitted to the Official List following the exercise of Warrants.

**10 July 1996** 2,037,620 Ordinary shares of 25p each admitted to the Official List following the final exercise date. 359,580 Warrants had been bought in for cancellation by the Company prior to the final exercise date.

**2 July 1998** 880,000 Ordinary shares admitted to the Official List following allotment at 40p per share, pursuant to authorities granted by Shareholders at the Annual General Meeting on 30 June 1998.

**16 August 2001** 425,000 Ordinary shares of 25p purchased for cancellation at 41.5p per share.



# Aberdeen

## **Aberdeen Asset Management Asia Limited**

21 Church Street, #01-01 Capital Square Two, Singapore 049480  
Tel: 00 65 6395 2700 Fax: 00 65 6535 7159

*Regulated by The Monetary Authority of Singapore*

## **Aberdeen Asset Managers Limited**

One Albyn Place, Aberdeen AB10 1YG Tel: 01224 631999 Fax: 01224 647010  
One Bow Churchyard, Cheapside, London EC4M 9HH Tel: 020 7463 6000 Fax: 020 7463 6001

*Authorised and regulated by the Financial Services Authority  
Members of the Aberdeen Asset Management Group of Companies*