



Aberdeen
*Asian Smaller
Companies*
Investment Trust PLC



**Above average returns through capital growth
from investment in companies in Asia**

Annual Report & Accounts
Year ended
31 July 2002

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Financial Calendar

3 October 2002	Announcement of the results for the year ended 31 July 2002
19 November 2002	Annual General Meeting
29 November 2002	Payment of dividend for 2002
29 November 2002	Warrant subscription date for 2002
March 2003	Announcement of interim results for six months ending 31 January 2003



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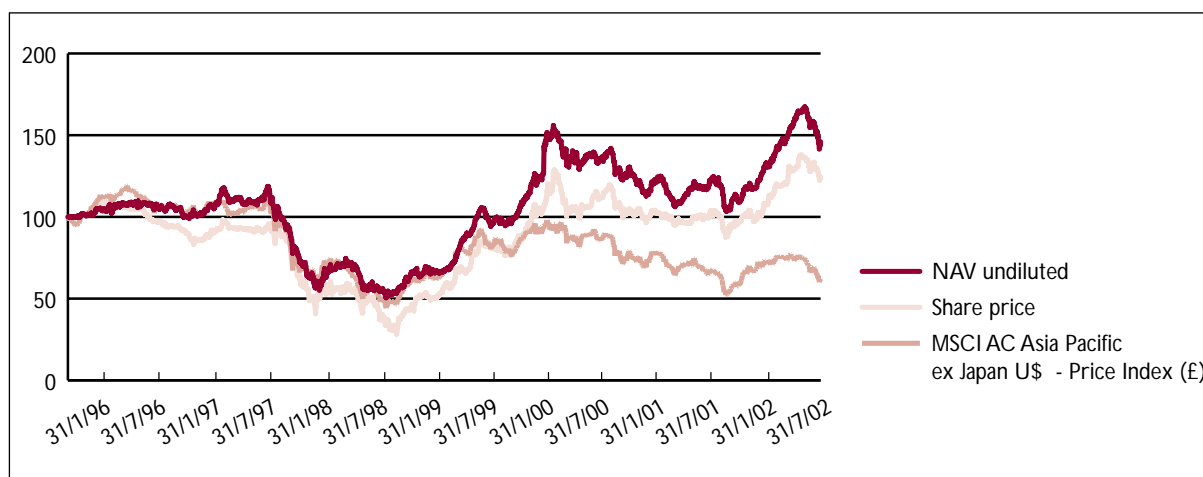
Highlights

- Increase of 19.3% in net asset value, compared to a fall of 3.5% in the MSCI AC Asia Pacific ex-Japan Index
- Proposed final dividend of 2.65p per Ordinary share, compared to 2.0p last year, a rise of 32.5%
- The average price earnings ratio of the stocks in the portfolio, based on 2002 earnings, is 11.6. The average price to book value of the stocks in the portfolio is 2.1 with a return on equity of 15.9% and a dividend yield of 5%
- The Manager continues to identify companies with solid earnings and strong balance sheets
- Valuations remain very attractive in the region, highlighted by the presence of numerous good-quality and well-run companies that work to create value for shareholders, offer good dividend yields, and are not highly leveraged

Performance Summary

	Launch 19.10.95	31.07.01	31.07.02	Since launch %	Year on year %
Ordinary share					
Net asset value per Ordinary share (undiluted)	97.06p	118.83p	141.80p	46.1	19.3
Net asset value per Ordinary share (diluted)	97.06p	114.92p	133.13p	37.2	15.8
Share price (mid market)	92.00p	93.00p	114.00p	23.9	22.6
Discount (undiluted)	5.2%	21.7%	19.6%	–	–
Discount (diluted)	5.2%	19.1%	14.4%	–	–
Warrant					
Warrant price (mid market)	32.50p	31.50p	42.25p	30.0	34.1
Assets attributable to equity shareholders	£33.97m	£31.79m	£37.94m	11.7	19.3

Net asset value (undiluted) and share price versus MSCI AC Asia Pacific ex-Japan Index US\$ (re-based to 100 at 19 October 1995)



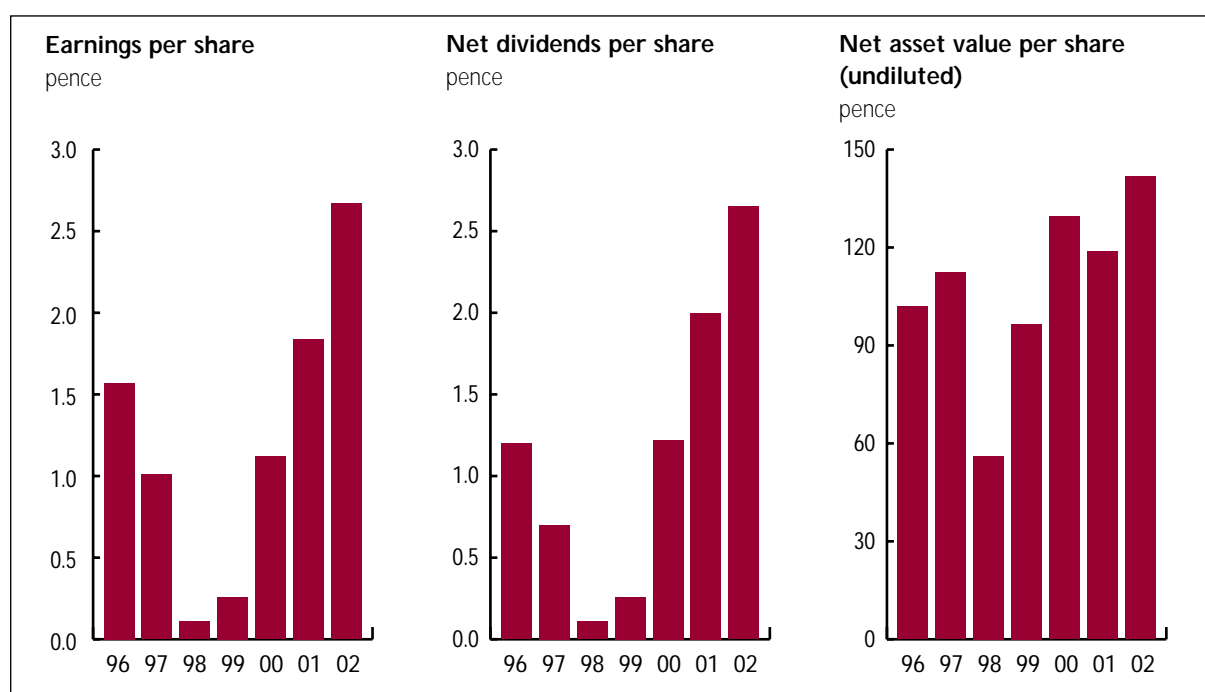
Seven Year Financial Record

Year to 31 July 2002

	1996	1997	1998	1999	2000	2001	2002
Total revenue (£'000)*	1,361	1,194	801	869	1,334	1,673	1,946
Per Ordinary share							
Net earnings (pence)	1.57	1.01	0.11	0.26	1.12	1.84	2.67
Net dividends paid (pence)	1.20	0.70	0.11	0.26	1.22	2.00	2.65**
Net asset value:							
Undiluted (pence)	101.96	112.34	56.06	96.52	129.46	118.83	141.80
Diluted (pence)	101.64	110.28	n/a	n/a	123.85	114.92	133.13
Equity shareholders' funds (£'000)	35,687	39,319	19,620	33,782	38,520	31,791	37,938

* The total revenue figure for 1999 has been restated in line with FRS 16 "Current Tax". No restatement was required for 1996 to 1998 as no franked investment income was received.

** Proposed dividend.



Total Expense Ratio ('TER')

The Company's TER for the year ended 31 July 2002, calculated in accordance with the industry standard Fitzrovia post-tax method, was 1.42% (2001 – restated 1.30%).

Corporate Summary

Investment Objective and Benchmark Index

The investment objective of the Company is to maximise total return to shareholders over the long term from a portfolio of smaller quoted companies (market capitalisation of under US\$600 million at time of investment) in the economies of Asia, outside Japan. There is no meaningful smaller companies index at present against which to compare the performance of the Company. The Manager utilises a general regional index, the MSCI AC Asia Pacific ex Japan Index, as well as peer group comparisons for Board reporting.

Risk

Many of the stocks in which the Company invests are exposed to the risk of political change, exchange controls, tax or other regulations which may affect their value and marketability. Currency fluctuations may also affect the value of the Company's investments and the income derived therefrom. Companies in the Asia Pacific region are not always 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.

Capital Structure

The Company has a capital structure comprising Ordinary shares and Warrants. The Warrants confer the right to subscribe for Ordinary shares and further details are included inside the back cover of this Report.

PEP and ISA Status

The Company intends to manage its affairs so as to be a fully qualifying security for inclusion in a PEP and ISA.

Summary Management Agreement

The Company has an agreement with Aberdeen Asset Management Asia Limited for the provision of management services. The management fee is payable monthly in arrears and is based on an annual amount of 1.2% of the average net asset value of the Company over a twenty four month period valued monthly, excluding other funds managed by the manager. The agreement is terminable on one years' notice.

Corporate Information

Directors

Nigel Cayzer, Chairman

Eric Elstob

Martin Gilbert

Alan Kemp

Hugh Young

Alternate Directors

Radhika Ajmera (Alternate for Martin Gilbert)

Peter Hames (Alternate for Hugh Young)

Manager

Aberdeen Asset Management Asia Limited

21 Church Street

#01-01 Capital Square Two

Singapore 049480

Secretaries

Aberdeen Asset Management PLC

One Bow Churchyard, Cheapside,

London EC4M 9HH

Registered Office

One Bow Churchyard, Cheapside,

London EC4M 9HH

Registration Number: 3106339

Website: www.asian-smaller.co.uk

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

Teather & Greenwood Limited

Beaufort House

15 St. Botolph Street

London EC3A 7QR

Auditors

Ernst & Young LLP

Rolls House

7 Rolls Buildings

Fetter Lane

London EC4A 1NH

Bankers

Standard Chartered Bank

6 Battery Road #07-00

Singapore 049909

JP Morgan Chase Bank

125 London Wall

London EC2Y 5AJ

Board Members

Chairman

Nigel Cayzer*, aged 48, Chairman of the Company, is chairman of Oryx Fund Limited and Oryx International Growth Fund Limited. He is a non-executive director of Alliance Housing Bank SAOG and a director of a number of other private companies.

Directors

Eric Elstob*, aged 59, was joint manager and a director of Foreign & Colonial Investment Trust PLC from 1972 to 1995 and was a vice-chairman of Foreign & Colonial Management Limited, in charge of the Far Eastern and European desks. He is chairman of MW Japan Fund and of MW Nippon Fund, deputy chairman of Foreign & Colonial Pacific Investment Trust PLC and Foreign & Colonial EuroTrust PLC, and a director of SR Europe Investment Trust PLC.

Martin Gilbert, aged 47, qualified as a chartered accountant in 1982 and thereafter pursued a career in investment management. He was one of the founding directors, and is chief executive of Aberdeen Asset Management PLC. He is chairman of First Group PLC and a director of Lombard International Assurance SA. Ms Radhika Ajmera is an Alternate Director for Mr Gilbert.

Alan Kemp*, aged 58, has been involved in fund management since 1970 and with investment trusts since 1972. He was deputy manager of The Edinburgh Investment Trust from 1974 to 1985 and was subsequently deputy chief executive of Dunedin Fund Managers. He is now an independent financial consultant. He is a director of JP Morgan Fleming US Discovery Investment Trust PLC.

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 a director of Aberdeen Asset Management PLC and managing director of Aberdeen Asset Management Asia Limited, responsible for investment in the Far East. He is also a director of Aberdeen New Dawn Investment Trust PLC, Aberdeen New Thai Investment Trust PLC, and a number of other companies. Mr Peter Hames, investment director at Aberdeen Asia, is an Alternate Director for Mr Young.

** Members of the Audit Committee and Management Engagement Committee.*

All directors are non-executive. With the exception of Mr M Gilbert and Mr H Young all directors are independent.

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 August 2002 managed a combined £24.4 billion for institutions, unit trusts, investment trusts, closed end investment funds, private clients and offshore funds.

Chairman's Statement

In the year to 31 July 2002, I am pleased to report an increase in the net asset value of 19.3%, which compares to a contraction of 3.5% in the MSCI AC Asia Pacific ex-Japan Index. This is an excellent result and rewards the strategy pursued by our Manager, which is based on detailed analysis to identify companies with solid earnings and strong balance sheets.

The year under review has been very difficult with the falls in the US and European stock markets and a mixed outlook for Western economies. However, Asia and our own investments, in particular, have done well.

The reasons are two-fold – one economic and the other to do with valuations. On the economic front, Asia's bubble burst some five years ago. Since then, its governments, corporates and individuals have been busy rebuilding. Reforms have been put in place, companies have restructured and balance sheets are now extremely healthy. When this backdrop is allied to low stock valuations, the potential for profitable investment is high – and that is what transpired over the past year!

Going forward, there are still areas of concern. International demand, in particular that from the US, is very important to Asia's growth and our research indicates it will be another difficult year ahead on that front. Of more fundamental worry to us is backtracking on the reform process by governments in the region. Strangely enough we are hopeful that a generally sluggish economy will keep up the pressure for change. It is this change, and consequent action at the corporate level rather than an economic pick-up, that we expect to drive stock prices higher.

During the course of the year the Board established a HK\$35 million short-term, multi-currency borrowing facility and a £6,000,000 revolving credit facility to allow the Manager to use gearing judiciously in managing the portfolio. At the balance sheet date, HK\$20 million and Singapore \$3.4 million had been drawn down, which represented a sterling equivalent of £2.877 million. In addition, the Company had drawn down £2,000,000 of the revolving credit facility. The Company's gearing ratio at 31 July 2002 was 112.49%.

The Board is pleased to recommend the payment of a final dividend of 2.65p per Ordinary share compared with 2.0p last year, a rise of 32.5%.

3 October 2002

Nigel Cayzer
Chairman

Manager's Review

The year under review has been a tough and tumultuous period for global markets. During this time, the world's two largest economies – the US and Japan – experienced a further slowdown. The US consumer, who had been the growth catalyst for the past 2-3 years, showed signs of weariness. Compounding the problems, accounting riddles involving several major US companies, coupled with downbeat corporate earnings, took the wind out of Wall Street.

Asia, however, was a relative haven of safety, having experienced its bubble bursting five years ago and consequent sharp slowdown, from which it is now steadily recovering. The region's economies also benefitted from favourable liquidity conditions and the restructuring efforts of regional governments. Stock markets across the region have, as a consequence, performed well relative to their more developed counterparts and within the markets the smaller companies in which we invest have also performed well.

In North Asia, Korea was the success story. A strong pick-up in the personal sector after years of forced lending, an explosion in credit growth and improved corporate governance helped spark a rally in the local stock market. Additionally, the country's ability to leverage on old economy industries like shipbuilding and autos helped it perform better when compared to Taiwan and its technology dependent economy.

China's economy continued to be strongest in the region, growing at 8% year-on-year in the second quarter of this year. Fiscal stimulus, in addition to strong state-directed investments, is likely to remain the cornerstone of government policy. At the market level, the China Securities Regulatory Commission has championed the reform process, including further liberalisation of the A- and B-share markets, and turning around loss-making state-owned enterprises.

Hong Kong failed to participate in the rally, however, because of its structural reliance on property which held back the large index constituents in the banking and property sectors, although the smaller companies fared substantially better. Our strategy in China/Hong Kong involved investing in companies that either derived a bulk of their revenues or had their manufacturing operations in the mainland. We believed this to be a better way of exploiting China's economic potential, at the same time avoiding the pitfalls of dealing in the more speculative B-shares.

In South East Asia, the best bargains were once again found in the smaller markets of Thailand and Indonesia. Thailand's stock market was the front runner due to a recovering economy, flush liquidity conditions and good value in the small- and mid-cap companies. Indonesia clawed its way back, aided by a return to relative political stability, and progress by the government in the privatisation of the state sector. In Malaysia, a committed approach to corporate restructuring has helped propel the country's stock markets into one of the best performers during 2002.

In the Indian sub-continent, even as tensions remained high after nuclear-capable India and Pakistan traded bellicose statements over Kashmir, economic growth stayed on track due to progress on the privatisation process and improved corporate profitability.

Portfolio

Our strategy of investing in good quality companies that trade on undemanding valuations paid off handsomely over the past twelve months. Once again, our strong performance was driven by good stock selection, which, in turn, dictated our asset allocation. The average price earnings ratio of the stocks in the portfolio, based on 2002 earnings, is 11.6. The average price to book value of the stocks in the portfolio is 2.1 with a return on equity of 15.9% and a dividend yield of 5%.

Our biggest positions relative to the size of the respective markets are in Indonesia, Malaysia, Thailand, Singapore and India, while our lightest exposures are in Australia and Taiwan. By sector, our preferred areas are in consumer staples like food, beverage and tobacco, while our most significant underweightings are in banks and electronics. Simply put we like the visible cheap steady stocks like Unilever, Heineken and BAT (affiliates of all of which we

Manager's Review

own), whilst being wary of cyclical electronic manufacturers, particularly when it comes to small companies, and of smaller financial institutions without the necessary muscle.

We sold our remaining stock in Australia, BRL Hardy, the producer of Eileen Hardy and Nottage Hill wines, having held it since the inception of your Company. We sold not because of anything wrong with the business but simply because BRL Hardy had appreciated a great deal and we could find cheaper opportunities elsewhere within the region. We are still actively looking at Australia, but currently cannot find anything of the right quality that is cheap.

Our Hong Kong stocks performed well. We added contract shoe manufacturer Kingmaker, whilst selling software systems integrator Automated Systems Holdings and topslicing our core holdings like Giordano and Café de Coral subsequent to their strong share price run-up.

In Thailand, our performance was relatively dull. Our cheap, quality smaller companies were left behind by the larger companies such as banks and cement stocks. We continue to see the most attractive value in second- and third-liner stocks, especially those that are leveraged to the ongoing domestic consumption recovery. We topped up utilities laggard Easter Water and Thai Reinsurance, and introduced leading regional trans-shipment carrier Regional Container Lines which is cheap, possesses strong cash flows, and is well-positioned to reap the benefits of the Asian economic rebound.

Following the previously announced Board decision to raise the Company's initial market capitalisation limit to US\$600 million from US\$250 million we were allowed to introduce positions in Marco Polo, a Singapore real estate company trading at a steep discount to net value, Hong Leong Singapore Finance, to all intents and purposes a bank, in Singapore, cement company Grasim Industries in India and Carlsberg Brewery in Malaysia.

To fund this we took profits in various holdings, as well as tidying up anything with which we were uncomfortable.

In the latter part of the reporting period, we added two new holdings in Korea: Hana Tour Service, the country's leading travel operator; and Cheil Communications, the dominant advertising agency. We have made one further addition since the Company's year end – Korea Reinsurance, the country's leading reinsurer. We sold Iroonet, the internet and software services firm, and took profits in Lotte Confectionery, the consumer products company.

In India, we sold motorcycle and tractor company Eicher, at a loss, and Hughes Software Systems, with the proceeds used to buy Aventis Pharma. This was in recognition of the company's strong and focused marketing strategy, and the discount to its peers in the industry. At the year-end, we also initiated a position in Godrej, a producer of toiletries, soaps and hair colour.

Outlook

A strong domestic demand story in Asia, coupled with rising capital inflows, has helped the region's markets de-couple from the sell-off in the US. Economic growth throughout the region has broadened out, reflecting encouraging trends in both domestic consumption and traditional exports. Even more encouragingly, the health of the corporate sector has improved dramatically due to effective cost cutting and more efficient use of capital resources.

Whilst it is impossible to predict the direction of stock markets, valuations remain very attractive in the region, highlighted by the presence of numerous good-quality and well-run companies that work to create value for shareholders, offer good dividend yields, are not highly leveraged, and are cheap.

14 October 2002

Aberdeen Asset Management Asia Limited

Investment Process

Aberdeen Asset Management Asia's ("AAMA") investment team manages assets across the region, including Japan, as well as the Indian sub-Continent and Australasia. It is supported by investment offices in Sydney and Bangkok, with 17 equity fund managers in all.

The Aberdeen team only invests in companies it has met and researched, to which end it conducts over 1,000 company visits per annum. The team identifies good quality companies, i.e. those with a solid business, decent balance sheet and, above all, a management which cares about shareholders, and then invests as cheaply as possible.

Weightings in individual securities, sectors and countries may vary substantially against the index weight. This is because indices and index weights are viewed as representative of market consensus rather than as key drivers in the stock selection process. Many index stocks would fail to meet stringent criteria of strong management, balance sheets and attention to corporate governance. Prevailing stock prices may also be unacceptably expensive on a relative and/or absolute basis.

Generally, AAMA prefers to limit downside risk. Portfolio holdings have lower-than-market volatility, which may in large part be due to their defensive business nature and relatively conservative capital structure. Overly cyclical stocks and theme plays are thus rarely included. Finally, there is little attempt to time the market or to trade on momentum; rather, the investment focus is long term. Average portfolio turnover since the inception of this Company is around 25-30% p.a. This Company has usually held between 40-60 securities at any one time, providing what AAMA considers an optimum trade-off between risk diversification and return for a Company of this type.

Investment Team



Hugh Young, Managing Director, BA in Politics from Exeter University, 21 years' investment experience. In charge of the Aberdeen Group's Far East funds since 1985. Aged 44.



Peter Hames, Investment Director, BSc in Economics & Accountancy from Bristol University, 14 years' investment experience. Joined the Group in 1989. Aged 41.



Devan Kaloo, Investment Manager, MA (Hons) from St. Andrews University, Postgraduate degree in Investment Analysis, Stirling University. Worked with Martin Currie in Edinburgh for five years before joining Murray Johnstone in July 2000 and Aberdeen in November 2000. Aged 30.



Andrew Gillan, Assistant Investment Manager, MA Joint Honours in French and European History from University of Edinburgh. Joined Aberdeen in September 2000 and subsequently transferred to the AAMA team in Singapore in Nov 2001. Aged 25.



Flavia Cheong, Investment Manager, Masters in Economics from University of Auckland. Previously with Investment Company of the People's Republic of China and Development Bank of Singapore. Six years' investment experience. Joined AAMA in August 1996. Aged 35.



Christopher Wong, Investment Manager, BA in Accounting and Finance, Heriot-Watt University, Edinburgh. Joined Aberdeen in December 2001 from Andersen Corporate Finance; transferred from private equity to equity desk in August 2002. Aged 30.

Investment Portfolio

As at 31 July 2002

Company	Valuation £'000	Total net assets %
Robinson & Co. Sector: Consumer Singaporean retailer which has the Marks and Spencer franchise for Singapore and Malaysia.	2,087	5.5
Rowe Evans Investments Sector: Agriculture Indonesian palm oil company with property interests in Malaysia.	1,772	4.7
Café De Coral Sector: Consumer Hong Kong fast-food chain with over 100 outlets, with a growing business supplying meals to schools and hospitals.	1,551	4.1
Bank NISP Sector: Banks The country's fourth largest bank, focused mainly on lending to small and medium enterprises.	1,457	3.8
Giordano International Sector: Consumer Hong Kong-listed retailer of fashion clothing, with outlets across Asia. Giordano is often referred to as the Asian Gap. The company has been a beneficiary of the rebound in consumer spending in the region.	1,319	3.5
Courts Sector: Consumer The largest retailer of furniture and electrical appliances in Singapore, the company primarily caters to low and middle income groups, and has a large hire purchase business. Majority shareholder is Courts of the UK.	1,204	3.2
Unilever Indonesia Sector: Consumer Local subsidiary of MNC consumer goods company, it enjoys a leading market share in ice cream, personal care products and packaged foods. Unilever also runs modern plants sourcing goods for exports to sister operations globally.	1,193	3.1
Hung Hing Printing Sector: Manufacturing The company supplies printing services for packaging and books, in addition to paper trading and paper manufacturing.	1,185	3.1
La Tondena Distilleries Sector: Consumer One of the largest distilleries in the Philippines, producing Filipino gin and involved in mineral water, distilled water and fruit juice. Majority-owned by brewing giant San Miguel.	1,038	2.7
Marco Polo Development Sector: Property Property developer, the company is part of Hong Kong's Wheelock group.	1,038	2.7
Top ten investments	13,844	36.4

Investment Portfolio (continued)

As at 31 July 2002

Company	Valuation £'000	Total net assets %
Multi Bintang Indonesia	960	2.5
Sector: Consumer Country: Indonesia Part of the Heineken Group, the company's main products include beer and stout which is marketed under the Bir Bintang and Green Sands Shandy brand names.		
Informatics Holdings	946	2.5
Sector: Technology Country: Singapore Acquisitive international training company, operating in 27 countries through direct ownership and franchises.		
Hong Leong Singapore Finance	944	2.5
Sector: Finance Country: Singapore Singapore's largest finance company with a network of 28 branches.		
Lotte Confectionery	910	2.4
Sector: Consumer Country: South Korea Leading confectionery company in Korea and effective parent/holding company for the Lotte Group.		
Eastern Water Resources	906	2.4
Sector: Utilities Country: Thailand The company supplies water to provinces in the eastern seaboard of Thailand, and provides consultancy services for clean water production and distribution.		
Aventis Pharmaceuticals	888	2.3
Sector: Chemicals Country: India The company was created in 1999 through the merger of Hoechst and Rhone-Poulenc and is the listed Indian subsidiary of the MNC. Strong parent backing, good products and focused marketing strategy.		
Aeon Credit Services	878	2.3
Sector: Finance Country: Hong Kong The company provides consumer credit finance services in Hong Kong, including the issuance of credit cards and personal loan financing. Majority shareholder is Aeon Credit Services of Japan.		
Hana Microelectronics	860	2.3
Sector: Electronics Country: Thailand An electronics company engaged in IC packaging, printed circuit board assembly, and microdisplays.		
Malaysian Oxygen	855	2.3
Sector: Chemicals Country: Malaysia The leading Malaysian producer of industrial gases and electrodes, partly owned by BOC and Air Liquide.		
Caltex Lubricants	840	2.2
Sector: Basic Material Country: Sri Lanka The company has a dominant share of the local lubricants market. Majority shareholder is Caltex, which owns a 51% stake. Used to be part of Ceylon Petroleum Corp (CPC) before it was privatised in 1994.		
Top twenty investments	22,831	60.1

Investment Portfolio (continued)

As at 31 July 2002

Company	Sector	Country	Valuation £'000	Total net assets %
LPI Capital	Insurance	Malaysia	821	2.2
BAT Indonesia	Consumer	Indonesia	807	2.1
Regional Container Lines	Transportation	Thailand	762	2.0
Carlsberg Brewery Malaysia	Consumer	Malaysia	751	2.0
Bukit Sembawang Estates	Property	Singapore	746	2.0
Mustika Ratu	Consumer	Indonesia	744	2.0
Hana Tour Service	Consumer	South Korea	738	1.9
Singapore Food Industries	Consumer	Singapore	724	1.9
Jusco Stores	Consumer	Hong Kong	720	1.9
BRL Hardy	Consumer	Australia	713	1.9
Comfort Group	Transportation	Singapore	683	1.8
Credit Rating Information Service	Finance	India	675	1.8
Sime UEP Properties	Property	Malaysia	674	1.8
Dynaplast	Manufacturing	Indonesia	665	1.8
Cheil Communications	Media	South Korea	640	1.7
Jollibee Foods	Consumer	Philippines	612	1.6
Grasim Industries	Consumer	India	612	1.6
ICICI	Banks	India	593	1.6
Haad Thip	Consumer	Thailand	565	1.5
Goodyear	Manufacturing	Thailand	554	1.5
Phatra Insurance	Insurance	Thailand	539	1.4
ICI India	Chemicals	India	508	1.3
Standard Foods*	Consumer	Taiwan	478	1.3
Asian Terminals	Infrastructure	Philippines	461	1.2
Commercial Bank of Ceylon	Banks	Sri Lanka	449	1.2
City E-Solutions	Technology	Hong Kong	435	1.1
Thai Reinsurance**	Insurance	Thailand	434	1.1
Otis Elevator	Manufacturing	India	429	1.1
Keells (I.)	Diversified Operations	Sri Lanka	421	1.1
Orix Leasing	Finance	Pakistan	420	1.1
Kingmaker Footwear	Consumer	Hong Kong	387	1.0
China Hong Kong Photo Products	Consumer	Hong Kong	374	1.0
Post Publishing	Media	Thailand	346	0.9
DFCC Bank	Banks	Sri Lanka	331	0.9
Distilleries	Consumer	Sri Lanka	327	0.9
National Development Bank	Banks	Sri Lanka	196	0.5
Harimau Investment	Investment Company	Singapore	173	0.5
SHL Consolidated	Construction & Building Materials	Malaysia	110	0.3
Cebu Holdings	Property	Philippines	89	0.2
Total fixed asset investments			43,537	114.8
Net current liabilities and provision for liabilities and charges			(5,599)	(14.8)
Total net assets			37,938	100.0

All holdings are in Ordinary shares, with the exception of those noted below.

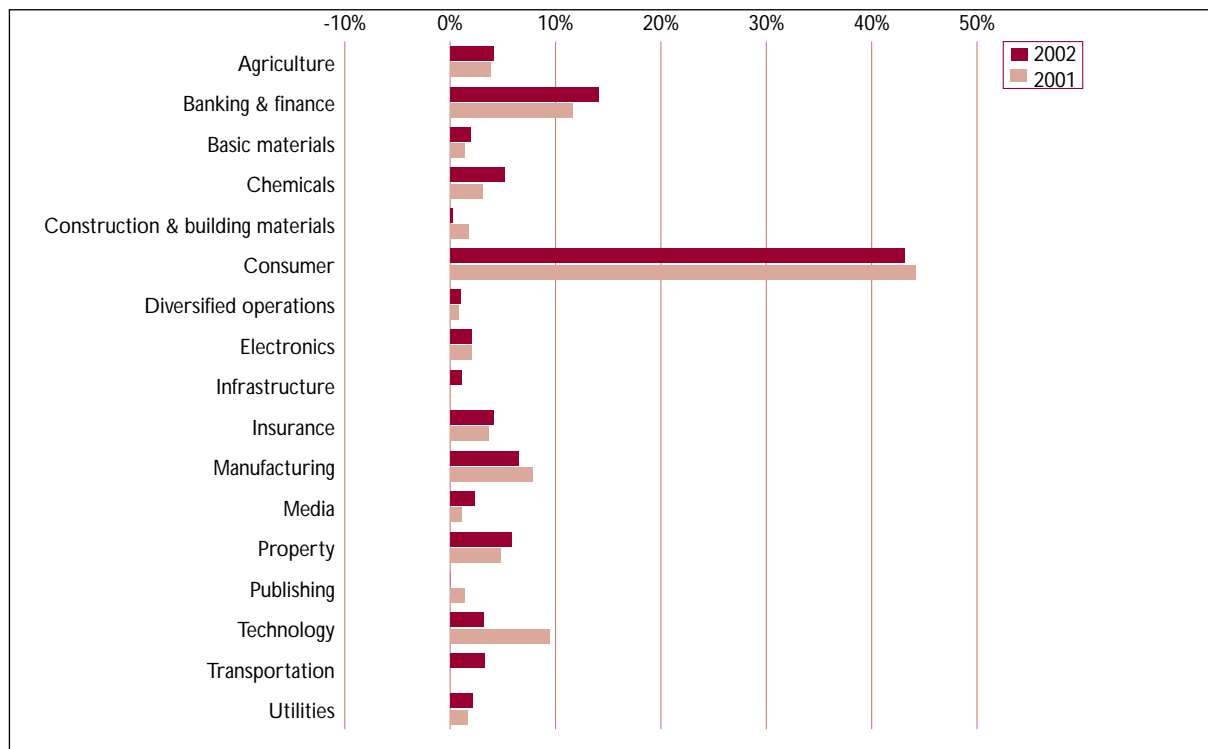
* Inclusive of £235,000 (0.6%) in GDR's.

** Inclusive of £36,000 (0.1%) in Warrants.

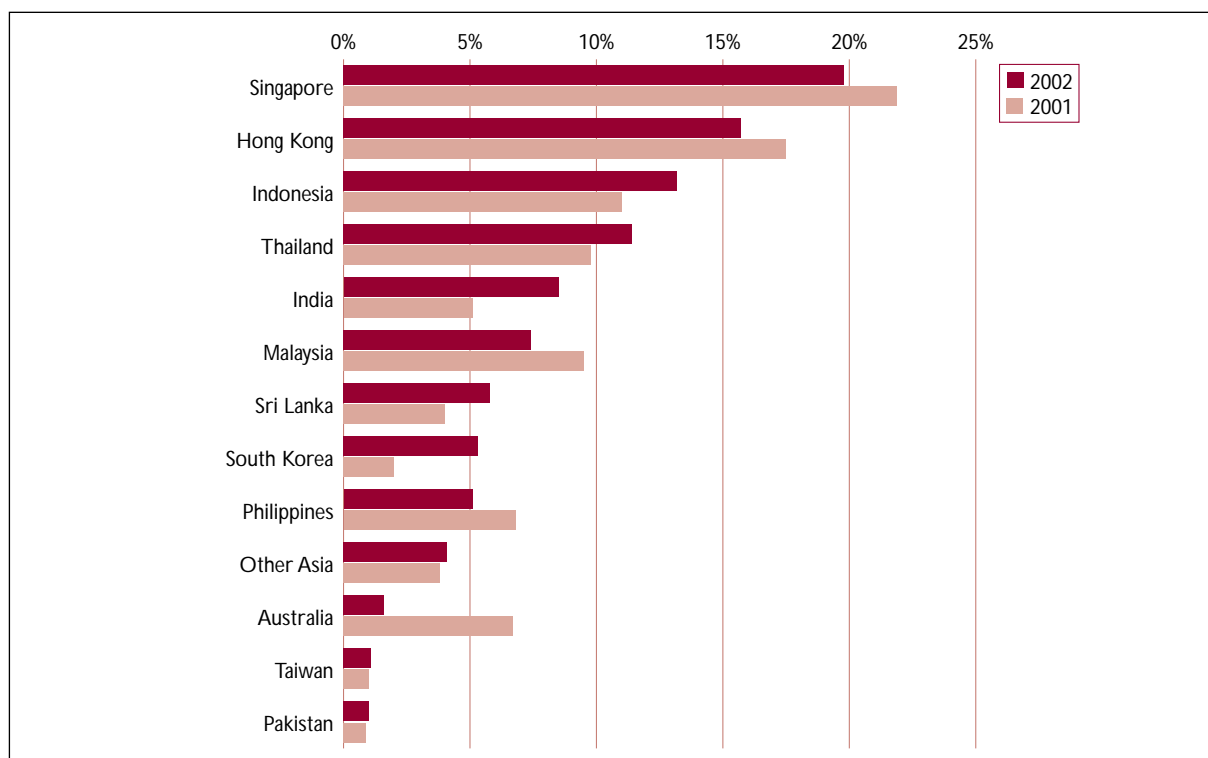
Sector/Geographic Analysis

As at 31 July 2002

Sector Breakdown



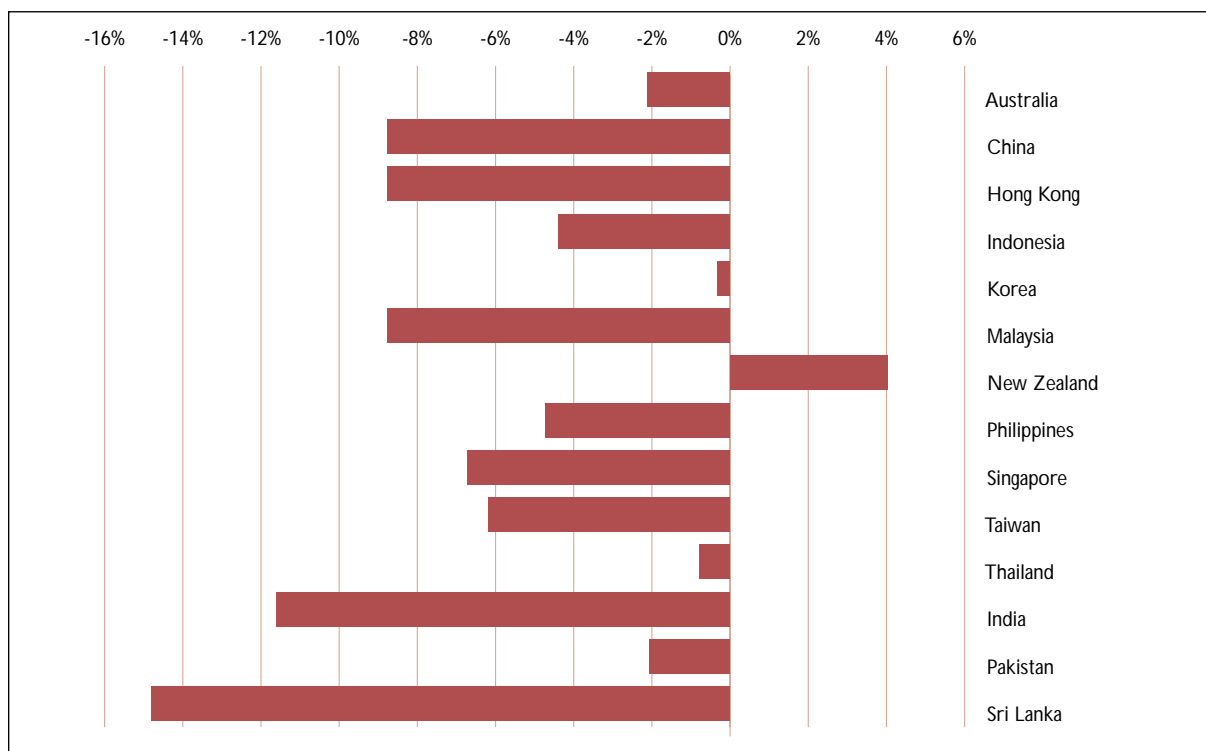
Geographical Summary



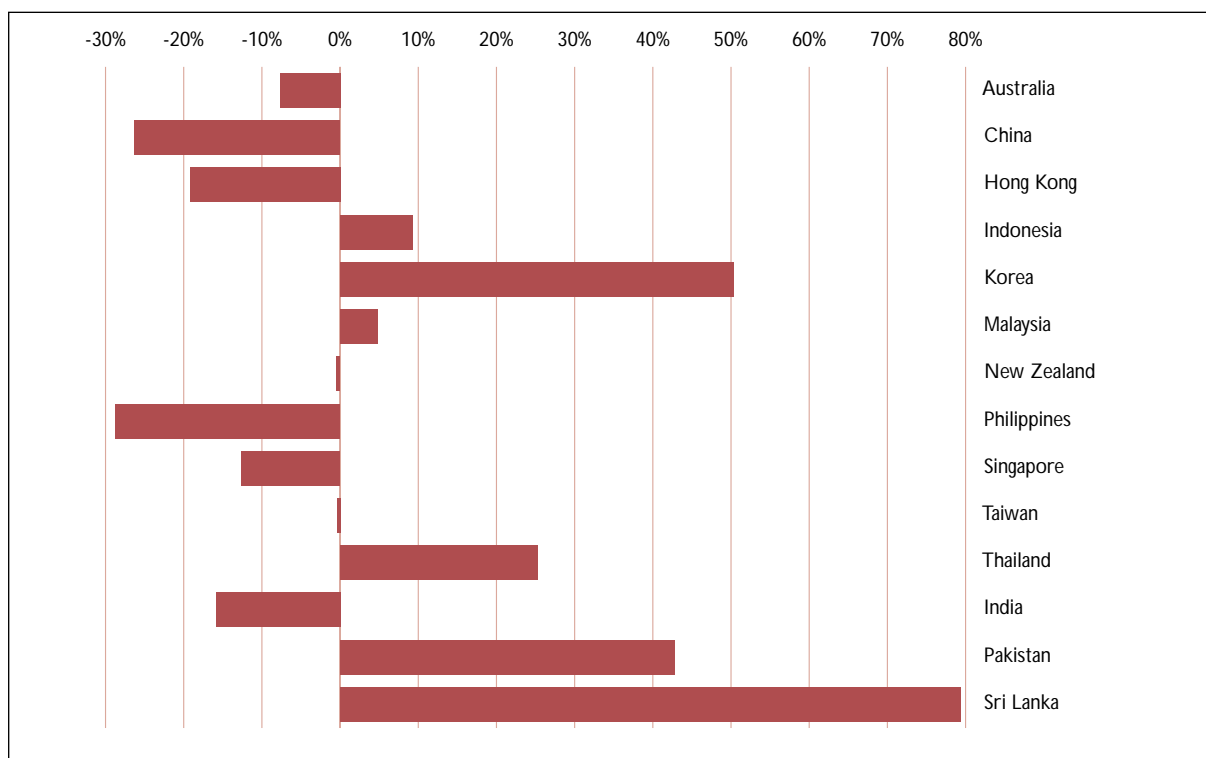
Currency/Market Performance

12 months to 31 July 2002

Currency returns (£)



MSCI Country Index Total Returns (£)



Directors' Report

The Directors present their Report and the audited financial statements for the year ended 31 July 2002.

Review of the Business

A review of the Company's activities is given in the Chairman's Statement on page 6 and the Manager's Review on pages 7 and 8.

Results and Dividends

The net revenue after taxation for the year to 31 July 2002 amounted to £714,000. A final dividend of 2.65p per share, which will absorb £709,000, has been proposed and, if approved, will be payable on 29 November 2002.

Principal Activity

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

Status

The Company is an investment trust company and a member of the Association of Investment Trust Companies.

The Company has been approved by the Inland Revenue as an investment trust company for the purposes of Section 842 of the Income and Corporation taxes Act 1988 for the year ended 31 July 2001.

The Directors are of the opinion, under advice, that the Company has conducted its affairs for the year ended 31 July 2002 so as to be able 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.

Directors

The Directors at the year end and their beneficial interests in the share capital of the Company both at 31 July 2002 and at 1 August 2001 were as follows:

	31 July 2002		1 August 2001	
	Ordinary shares	Warrants	Ordinary shares	Warrants
N K Cayzer	–	–	–	–
E C Elstob	30,000	20,000	30,000	20,000
M J Gilbert	66,233	9,773	66,233	9,773
A S Kemp	5,477	–	5,363	–
H Young	20,000	104,000	20,000	104,000
R Ajmera	–	–	–	–
P Hames	17,698	–	15,357	–

As at 31 July 2002, Mr Elstob had a non-beneficial interest in 104,000 Ordinary shares (2001 – 104,000).

There have been no further changes to Directors' holdings at the date of this Report.

Directors' Report

Mr M J Gilbert and Mr H Young are directors of Aberdeen Asset Management PLC and its subsidiary Aberdeen Asset Management Asia Limited. Mr M J Gilbert is a director of Aberdeen Asset Managers Limited. Aberdeen Asset Management Asia Limited and Aberdeen Asset Managers Limited are entitled to receive fees under the Agreements described in notes 3 and 4 to the financial statements.

Mr M J Gilbert and Mr A S Kemp retire by rotation and being eligible, offer themselves for re-election

No Director has a service contract with the Company.

Special Business at the Annual General Meeting

Under resolution 6 it is proposed that, in line with common practice, the Directors be authorised to allot up to £334,426 of relevant securities in the Company (equivalent to 1,337,705 Ordinary shares of 25p, representing approximately 5% of the Company's issued share capital) without further reference to the Company in general meeting for a period ending at the conclusion of the Annual General Meeting in 2003.

Under section 89(1) of the Companies Act 1985, where it is proposed to issue equity securities (which includes Ordinary shares, Warrants and convertible debt securities) for cash they must first be offered to existing shareholders in proportion to their holdings. In some circumstances it is beneficial to allot such securities for cash without first offering them in this way. The Directors will therefore propose a special resolution (resolution 7) at the Annual General Meeting which, if passed, will allow them to allot equity securities for cash up to an aggregate nominal value of £334,426 as if section 89(1) did not apply. This authority will lapse (unless renewed) at the conclusion of the Annual General Meeting in 2003. Ordinary shares would not be issued at a price less than net asset value.

Under resolution 8, which is a special resolution, it is proposed that the general authority for the Company to buy back up to 14.99% of its Ordinary shares, approved by Shareholders and Warranholders on 27 November 2001 be renewed at the Annual General Meeting for an amount up to 4,010,439 of its Ordinary shares for a further 12 months unless renewed before that time. The share buy back proposal requires the approval of Warranholders. A notice convening the Warranholders' meeting to be held on 19 November 2002 immediately following the conclusion of the Annual General Meeting has been despatched to Warranholders together with a copy of these Accounts.

Corporate Governance

The Board has in place a framework for corporate governance which it believes is suitable for an investment trust and which enables the Company to comply with the Principles of Good Governance and Code of Best Practice ("the Combined Code"), prepared by the Committee on Corporate Governance, published in June 1998.

The Board considers that the Company has complied with the provisions contained within the Combined Code throughout this accounting period. The following statements describe how the relevant principles of governance are applied to the Company.

The Board

The Board currently consists of five non-executive Directors, the majority of whom are independent of the Company's Investment Manager, with the Chairman fulfilling the role of senior independent 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 the biographies on page 5 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. However, the Combined Code requires

Directors' Report

Directors to stand for re-election at least once every three years. In order to comply with the Combined Code Mr Gilbert and Mr Kemp retire and offer themselves for re-election at the forthcoming Annual General Meeting.

The Board meets at least six times a year 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 with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Board has delegated the following areas of responsibility:

Management and Administration

The management of the investment portfolio and the administration of the Company has been delegated to Aberdeen Asset Management PLC ("Aberdeen") and its subsidiaries. Custody and settlement services are undertaken by State Street Bank & Trust Co., 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

Separate Audit and Management Engagement Committees have been established. The Board as a whole fulfils the function of a Nomination Committee which meets when necessary to select and propose suitable candidates for appointment. Given the size of the Board it is not felt appropriate to establish a separate Nomination Committee.

The Audit and Management Engagement Committees 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 Aberdeen's internal audit and compliance departments and the external auditors. The Management Engagement Committee keeps under review the terms of the investment management and related agreements.

Internal Controls

The Board is ultimately responsible for the Company's system of internal control and for reviewing its effectiveness.

In accordance with guidance for directors "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 significant risks faced by the Company. This process has been in place for the period 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 significant risks faced by the Company are as follows:

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

Directors' Report

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;
- As a matter of course the compliance department of Aberdeen 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 Manager, has decided to place reliance on the Investment Manager's systems and internal control procedures; and
- At its September Board meeting, the Board carried out an annual assessment of internal controls for the year to 31 July 2002 by considering documentation from the Investment Manager, including their internal audit and compliance functions and taking account of events since 31 July 2002.

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 20. The Directors acknowledge that their responsibility to present a balanced and understandable assessment extends to interim and other price sensitive public reports and reports to regulators as well as to information required to be presented by statutory requirements.

Going Concern

After making enquiries and given the nature of the Company and its investments, the Directors are satisfied that it is appropriate to continue to adopt the going concern basis in preparing the accounts.

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.

Directors' Report

Substantial Interests

The Board has been advised that the following shareholders owned 3% or more of the issued Ordinary share capital of the Company at the date of this Report.

Shareholder	Number of Ordinary shares held	% held
Funds Managed by Aberdeen Asset Managers Limited		
Aberdeen Far East Emerging Economies Unit Trust	2,623,500	9.81
Aberdeen Asia Pacific Unit Trust	1,500,000	5.61
Aberdeen New Dawn Investment Trust PLC	900,000	3.36
Other Interests	366,233	1.37
	5,389,733	20.15
Prudential Assurance Company	4,000,000	14.95
Funds Managed by Exeter Asset Management Limited	1,525,000	5.70
Rio Tinto Pension Fund	1,500,000	5.61
Bank of England Pension Fund	1,200,000	4.49
Funds Managed by Laing & Cruickshank Investment Management Limited	1,058,390	3.96
Devon County Council	1,050,000	3.92
Aberdeen Asset Managers Investment Trust Savings Scheme (non-beneficial)	1,046,010	3.91
British Life Office Limited	1,000,000	3.74
Advance Developing Markets Investment Trust PLC	925,000	3.46

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

The Company's auditors Ernst & Young LLP have indicated their willingness to remain in office. A resolution to re-appoint Ernst & Young LLP as the Company's auditor and to authorise the Directors to determine their remuneration will be put to the forthcoming Annual General Meeting.

One Bow Churchyard, Cheapside,
London EC4M 9HH
14 October 2002

By order of the Board
Aberdeen Asset Management PLC
Secretaries

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 of the Company 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; and
- state whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the financial statements.

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 are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent Auditors' Report to the Members of Aberdeen Asian Smaller Companies Investment Trust PLC

We have audited the Company's financial statements for the year ended 31 July 2002 which comprise the Statement of Total Return, Balance Sheet, Cash Flow Statement and the related notes 1 to 20. These financial statements have been prepared on the basis of the accounting policies set out therein.

Respective responsibilities of Directors and Auditors

The Directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable United Kingdom law and accounting standards are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements, United Kingdom Auditing Standards and the Listing Rules of the Financial Services Authority.

We report to you our opinion as to whether the financial statements give a true and fair view and are 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 or the Listing Rules regarding Directors' remuneration and transactions with the Company is not disclosed.

We review whether the Corporate Governance Statement 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 other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Highlights and Performance Summary, Seven Year Financial Record, Corporate Summary, Corporate Information, Board Members and Manager, Chairman's Statement, Manager's Review, Investment Process and Investment Team, Investment Portfolio, Sector/Geographic Analysis, Currency/Market Performance, Directors' Report, Statement of Directors' Responsibilities, Shareholder Information, Information About the Manager and Aberdeen Marketing Strategy. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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. 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company as at 31 July 2002 and of its revenue for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

14 October 2002

Ernst & Young LLP
Registered Auditor
London

Statement of Total Return

	Notes	Year ended 31 July 2002			Year ended 31 July 2001		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	9	–	6,037	6,037	–	(4,021)	(4,021)
Income	2	1,946	–	1,946	1,673	–	1,673
Investment management fee	3	(447)	–	(447)	(445)	–	(445)
Other expenses	4	(321)	–	(321)	(243)	–	(243)
Exchange gains		–	105	105	–	38	38
Net return before finance costs and taxation		1,178	6,142	7,320	985	(3,983)	(2,998)
Interest payable and similar charges	5	(122)	–	(122)	(153)	–	(153)
Return on ordinary activities before taxation		1,056	6,142	7,198	832	(3,983)	(3,151)
Taxation on ordinary activities	6	(342)	–	(342)	(287)	–	(287)
Return on ordinary activities after taxation		714	6,142	6,856	545	(3,983)	(3,438)
Dividends in respect of equity shares	7	(709)	–	(709)	(535)	–	(535)
Transfer to/(from) reserves	15	5	6,142	6,147	10	(3,983)	(3,973)
Return per Ordinary share (pence):	8						
Basic		2.67	22.96	25.63	1.84	(13.43)	(11.59)
Fully-diluted		2.65	22.78	25.43	–	–	–

The revenue column of this statement is the profit and loss account of the Company.

The accompanying notes on pages 25 to 33 are an integral part of the financial statements.

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

Balance Sheet

	Notes	As at 31 July 2002 £'000	As at 31 July 2001 £'000
Fixed assets			
Investments	9	43,537	33,994
Current assets			
Debtors	10	223	258
Cash at bank and in hand		175	797
		398	1,055
Creditors: amounts falling due within one year	11	(3,085)	(3,232)
Net current liabilities		(2,687)	(2,177)
Total assets less current liabilities		40,850	31,817
Creditors: amounts falling due after more than one year			
Bank loan	12	(2,877)	–
		37,973	31,817
Provisions for liabilities and charges	13	(35)	(26)
Total net assets		37,938	31,791
Share capital and reserves			
Called-up share capital	14	6,689	6,689
Capital redemption reserve	15	2,062	2,062
Special reserve	15	14,990	14,990
Other capital reserves:			
Warrant reserve	15	2,275	2,275
Capital reserve – realised	15	10,586	6,556
Capital reserve – unrealised	15	1,081	(1,031)
Revenue reserve	15	255	250
Total equity shareholders' funds		37,938	31,791
Net asset value per Ordinary share (pence):	16		
Basic		141.80	118.83
Fully-diluted		133.13	114.92

The financial statements were approved by the Board of Directors on 14 October 2002 and were signed on its behalf by:

Nigel Cayzer
Chairman

The accompanying notes on pages 25 to 33 are an integral part of the financial statements.

Cash Flow Statement

	Notes	Year ended 31 July 2002		Year ended 31 July 2001	
		£'000	£'000	£'000	£'000
Net cash inflow from operating activities	17		887		757
Servicing of finance					
Bank and loan interest paid		(82)		(154)	
Net cash outflow from servicing of finance			(82)		(154)
Taxation					
Net taxation paid			(71)		(12)
Financial investment					
Purchases of investments		(15,980)		(8,238)	
Sales of investments		10,177		8,962	
Net (outflow)/inflow from financial investment			(5,803)		724
Equity dividends paid			(535)		(363)
Net cash (outflow)/inflow before financing			(5,604)		952
Financing					
Repurchase of Ordinary shares		–		(453)	
Drawdown/(repayment) of loans		5,062		(750)	
Net cash inflow/(outflow) from financing			5,062		(1,203)
Decrease in cash	18		(542)		(251)
Reconciliation of net cash flow to movements in net (debt)/funds					
Decrease in cash as above			(542)		(251)
Cash (inflow)/outflow from (drawdown)/repayment of loans			(5,062)		750
Exchange movements			105		38
Movement in net (debt)/funds in the year			(5,499)		537
Opening net funds			797		260
Closing net (debt)/funds	18		(4,702)		797

The accompanying notes on pages 25 to 33 are an integral part of the financial statements.

Notes to the Financial Statements

For the year ended 31 July 2002

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 Accounting Standards and with the Statement of Recommended Practice "Financial Statements of Investment Trust Companies".

(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 in to 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 including management fees and finance charges are charged 100% 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. Deferred taxation is provided for on all timing differences calculated at the current rate relevant to the benefit or liability. Deferred tax assets are recognised only to the extent that it will be more likely than not that there will be taxable profits from which underlying timing differences can be deducted.

(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 monetary assets are converted into Sterling at the rate of exchange ruling at the balance sheet date. Transactions during the year 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.

	2002 £'000	2001 £'000
2. Income		
Income from investments		
Franked investment income	71	71
Overseas dividends	1,860	1,568
	1,931	1,639
Other income		
Deposit interest	15	34
Total income	1,946	1,673

	2002			2001		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
3. Investment management fee						
Investment management fee	447	–	447	445	–	445

The Company has an agreement with Aberdeen Asset Management Asia Limited ("AAM Asia") for the provision of management services.

During the period the management fee was payable monthly in arrears and is based on an annual amount of 1.2%, calculated on the average net asset value of the Company over a 24 month period, valued monthly. The agreement is terminable on one years' notice. The balance due to AAM Asia at the year end was £74,000 (2001 – £77,000).

	2002 £'000	2001 £'000
4. Other expenses		
Administration fees	59	56
Directors' fees	60	60
Share Plan marketing contribution	18	18
Auditors' remuneration		
– audit	15	12
– for other services	3	2
Custodian charges	82	51
Other expenses	84	44
	321	243

The Company has an agreement with Aberdeen Asset Managers Limited ("AAM") for the provision of administration services. The administration fee is payable quarterly in advance and was based on an annual amount of £59,000 (2001 – £56,000) and there was £14,000 (2001 – Nil) due to AAM at the year end. The agreement is terminable on six months' notice.

Notes to the Financial Statements

The Company also has an agreement with 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 £18,000 (2001 – £18,000) and the net amount payable to AAM at the year end was £6,000 (2001 – prepayment of £3,000).

The emoluments of the highest paid Director, being the Chairman, amounted to £15,000 (2001 – £15,000).

No pension contributions were made in respect of any of the Directors.

The Company does not have any employees other than the Directors.

	2002			2001		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
5. Interest payable and similar charges						
On bank loans and overdrafts	122	–	122	153	–	153

	2002			2001		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
6. (a) Tax on ordinary activities						
Corporation tax	224	–	224	194	–	194
Deferred taxation	9	–	9	4	–	4
Overseas taxation	263	–	263	188	–	188
Relief for overseas taxation	(137)	–	(137)	(99)	–	(99)
Prior year adjustment	(17)	–	(17)	–	–	–
	342	–	342	287	–	287

(b) Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax. The differences are explained below:

	2002 £'000	2001 £'000
Net revenue on ordinary activities before taxation	1,056	832
Net revenue on ordinary activities multiplied by the standard tax rate of corporation tax of 30% (2001 – 30%)	317	250
Effects of:		
Non taxable UK investment income	(21)	(21)
Deferred tax movement	(2)	1
Withholding tax on dividend income accrued	(29)	(5)
Tax relief on Malaysian and Singapore withholding tax	(27)	(26)
Withholding tax	125	89
Disallowable expenses	10	–
Marginal relief	(14)	(1)
Adjustment to tax charge in respect of prior year	(17)	–
Current tax charge	342	287

(c) Factors that may affect future tax charges

The Company has no surplus unused expenses which it is able to carry forward against future profits.

Notes to the Financial Statements

7. Dividends and other appropriations	2002			2001		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Dividends on equity shares: – final 2.65p per share (2001 – 2.00p)	709	–	709	535	–	535

8. Return per Ordinary share	2002			2001		
	Revenue	Capital	Total	Revenue	Capital	Total
Basic						
Net revenue on Ordinary activities after taxation (£'000)	714	6,142	6,856	545	(3,983)	(3,438)
Weighted average shares in issue	26,754,100	26,754,100	26,754,100	29,669,197	29,669,197	29,669,197
Basic return per Ordinary share (p)	2.67	22.96	25.63	1.84	(13.43)	(11.59)
Diluted						
Number of dilutive shares	207,822	207,822	207,822	–	–	–
Diluted shares in issue	26,961,922	26,961,922	26,961,922	–	–	–
Diluted return per Ordinary share (p)	2.65	22.78	25.43	–	–	–

The basic revenue return per Ordinary share is based on net revenue on ordinary activities after taxation of £714,000 (2001 – £545,000) and on 26,754,100 (2001 – 29,669,197) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The basic capital return per Ordinary share is based on net capital gains for the financial year of £6,142,000 (2001 – losses of £3,983,000) and on 26,754,100 (2001 – 29,669,197) Ordinary shares, being the weighted average number of Ordinary shares in issue during the year.

The calculation of the fully diluted revenue and capital returns per Ordinary share are carried out in accordance with Financial Reporting Standard No.14, "Earnings per Share". For the purposes of calculating the diluted revenue and capital returns per Ordinary share, the number of Ordinary shares is the weighted average used in the basic calculation plus the number of Ordinary shares deemed to be issued for no consideration on exercise of all Warrants by reference to the average share price of the Ordinary shares during the year. The calculations indicate that the exercise of Warrants would result in an increase in the weighted average number of Ordinary shares of 207,822 to 26,961,922 Ordinary shares. The diluted return per Ordinary share for 2001 is not shown as it was in excess of the basic earnings per share.

Notes to the Financial Statements

	2002 £'000	2001 £'000
12. Creditors: amounts falling due after more than one year		
Bank loan	2,877	–

During the year the Company arranged a HK\$35 million three year term loan facility with Standard Jardine Fleming Bank, repayable in June 2005. To date draw down has been made in two tranches, comprising HK\$20 million at a fixed rate of 6.00% for three years and Singapore \$3.4 million at a fixed rate of 4.15% for three years.

	Deferred taxation on accrued income £'000
13. Provision for liabilities and charges	
At 1 August 2001	26
Movement in year	9
At 31 July 2002	<u>35</u>

	2002		2001	
	Authorised £'000	Issued and fully paid £'000	Authorised £'000	Issued and fully paid £'000
14. Called up share capital				
Ordinary shares of 25p each	10,500	6,689	10,500	6,689

At 31 July 2002 there were 26,754,100 (2001 – 26,754,100) Ordinary shares in issue.

At 31 July 2002 there were 6,999,400 (2001 – 6,999,400) Warrants in issue. Each Warrant entitles a holder to subscribe for one Ordinary share of 25p at a price of 100p. Further details of exercise rights are included inside the back cover of this Report.

	Redemption reserve £'000	Special reserve £'000	Warrant reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000
15. Reserves						
At 1 August 2001	2,062	14,990	2,275	6,556	(1,031)	250
Exchange gains	–	–	–	105	–	–
Transfer on disposal of assets	–	–	–	2,432	(2,432)	–
Net gain on realisation of investments	–	–	–	1,493	–	–
Increase in unrealised appreciation	–	–	–	–	4,544	–
Net surplus for the year	–	–	–	–	–	5
At 31 July 2002	<u>2,062</u>	<u>14,990</u>	<u>2,275</u>	<u>10,586</u>	<u>1,081</u>	<u>255</u>

Notes to the Financial Statements

16. Net asset value per share

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

	Net asset value per share attributable		Net asset values attributable	
	2002 p	2001 p	2002 £'000	2001 £'000
Basic	141.80	118.83	37,938	31,791
Fully-diluted	133.13	114.92		

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

	2002 £'000	2001 £'000
Opening net assets attributable	31,791	38,520
Total recognised gains/(losses) for the year	6,856	(3,438)
Repurchase of Ordinary shares	–	(2,756)
Dividends appropriated in the year	(709)	(535)
Closing net assets attributable	37,938	31,791

The basic net asset value per Ordinary share is based on net assets, and on 26,754,100 (2001 – 26,754,100) Ordinary shares, being the number of Ordinary shares in issue at the year end.

The fully-diluted net asset value per Ordinary share has been calculated on the assumption that 6,999,400 (2001 – 6,999,400) Warrants in issue were exercised on the first day of the financial year at 100p per share, giving an average of 33,753,500 (2001 – 33,753,500) Ordinary shares.

17. Reconciliation of net revenue on ordinary activities before tax to net cash inflow from operating activities

	2002 £'000	2001 £'000
Net revenue before finance costs and taxation	1,178	985
Increase in accrued income	(92)	(37)
(Increase)/decrease in other debtors	(4)	6
Increase/(decrease) in other creditors	67	(6)
UK Income tax deducted at source	–	(3)
Overseas withholding tax suffered	(262)	(188)
Net cash inflow from operating activities	887	757

Notes to the Financial Statements

	1 August 2001 £'000	Cash flow £'000	Exchange movements £'000	31 July 2002 £'000
18. Analysis of changes in net funds/(debt)				
Net cash:				
Cash at bank and overdrafts	797	(542)	(80)	175
Debt:				
Debt falling due within one year	–	(2,000)	–	(2,000)
Debt falling due after more than one year	–	(3,062)	185	(2,877)
Net funds/(debt)	797	(5,604)	105	(4,702)

19. Related party transactions

Mr M J Gilbert and Mr H Young are directors of Aberdeen Asset Management PLC and its subsidiary Aberdeen Asset Management Asia Limited ("AAM Asia"). Mr Gilbert is also a director of Aberdeen Asset Managers Limited ("AAM").

AAM Asia has an agreement to provide management services to the Company, the terms of which are outlined in note 3. AAM has an agreement to provide both administration and marketing services to the Company, the terms of which are outlined in note 4.

20. Financial instruments

The Company's financial instruments comprise:

- Equity shares and warrants that are held in accordance with the Company's investment objectives, which are set out on page 3 of this Report and Accounts;
- Bank loans, 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 and liquidity risk. The Company also has a minimal interest rate risk due to the bank loans held. 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

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Company might suffer through holding market positions in the face of price movements.

To mitigate the risk the Board's investment strategy is to select investments for their fundamental value. Stock selection is therefore based on disciplined accounting, market and sector analysis, with the emphasis on long term investment. An appropriate spread of investments are held in the portfolio in order to reduce both the statistical risk and the risk arising from factors specific to a country or sector. The Investment Manager actively monitors market prices throughout the year and reports to the Board, which meets regularly in order to consider investment strategy.

A list of the investments held by the Company as at 31 July 2002 is shown in the "Investment Portfolio" table on pages 10 to 12. All investments are stated at market value.

Interest rate risk

Financial assets

The Company has financial assets in the form of bank balances held. These balances are mainly held at floating rates of interest, the average at the year-end being 3.45% (2001 – 4.56%).

Notes to the Financial Statements

Financial liabilities

The Company finances its operations through its term loans. The Company has borrowed in Sterling, Hong Kong Dollars and Singapore Dollars at fixed rates of interest. The Board imposes borrowing limits to ensure gearing levels are appropriate to market conditions and reviews these on a regular basis.

	2002 Book value £'000	2002 Fair value £'000	2001 Book value £'000	2001 Fair value £'000
Fair values – financial liabilities				
Bank loan - SG\$ 3,400,000, repayable 5 June 2005	1,235	1,183	–	–
Bank loan - HK\$ 20,000,000, repayable 5 June 2005	1,642	1,594	–	–
	2,877	2,777	–	–

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. The Investment Manager mitigates the individual currency risks through the international spread of investments.

Foreign currency exposure by currency of denomination:

Country	2002 Investments £'000	2002 Cash £'000	2001 Investments £'000	2001 Cash £'000
Australia	713	–	2,284	–
Hong Kong	6,850	–	5,965	2
India	3,704	–	1,749	–
Indonesia	5,825	–	3,723	–
Malaysia	3,212	–	3,205	49
Pakistan	420	–	317	–
Philippines	2,199	–	2,283	–
Singapore	8,546	–	7,416	–
South Korea	2,288	–	664	–
Sri Lanka	2,564	–	1,371	–
Taiwan	243	–	215	–
Thailand	4,965	–	3,347	–
USA	235	–	170	–
	41,765	–	32,709	51

Liquidity risk

The Company's assets comprise mainly readily realisable securities, which can be sold to meet funding commitments, if necessary. Short-term flexibility is achieved through use of overdraft facilities. At the year end, with the exception of the bank loans, the Company had no net bank borrowings.

Shareholder Information

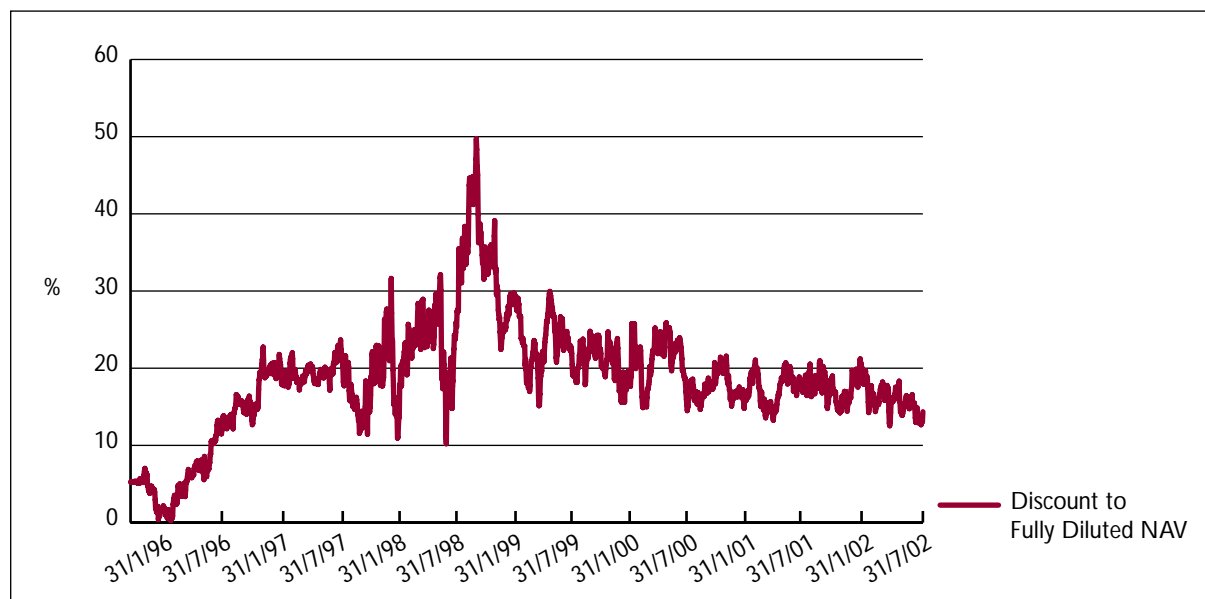
Shareholder Distribution

As the date of this Report there were 26,754,100 Ordinary shares in issue. The distribution of these was as follows:

Range	Number of shareholders	%	Number of shares held	%
1 - 1,000	52	16.51	24,578	0.09
1,001 - 5,000	97	30.79	288,977	1.08
5,001 - 10,000	41	13.02	317,645	1.19
10,001 - 100,000	95	30.16	2,839,866	10.61
100,001 and over	30	9.52	23,283,034	87.03
	315	100.00	26,754,100	100.00

In addition to the above the Company has 415 participants through the Aberdeen Investment Trust Share Plan, PEP and ISA.

Discount to fully diluted net asset value per share



Net Asset Value/Share Prices

The net asset value of the Company's Ordinary shares can be obtained daily by contacting Aberdeen Asset Managers Limited on 0500 00 00 40, or by e-mail at inv.trusts@aberndeen-asset.com. The prices of the Company's Ordinary shares are published daily in the *Financial Times*, *Times*, *Daily Telegraph*, *The Scotsman*, *Herald* and the *Evening Standard*. The prices of the Company's Warrants are published daily in the *Financial Times*.

The share price is also available by accessing the internet at www.asian-smaller.com

Information about the Manager

Aberdeen Investment Trust Share Plan

Aberdeen Asset Managers Limited ("AAM") runs a Share Plan which covers a number of investment companies under its management including Aberdeen Asian Smaller Companies 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 2002/2003.

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 2002/2003.

Aberdeen Investment Trust PEP/ISA

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 and PEP 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. 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.

Aberdeen Marketing Strategy

Aberdeen Asian Smaller Companies Investment Trust PLC contributes to the Marketing Programme run by Aberdeen Asset Managers Limited, on behalf of a number of investment trusts under its management. This agreement sees the Company's contribution matched by Aberdeen and is now worth £25,711 (plus VAT) a year, reviewed on an annual basis (calendar 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 other trusts run by Aberdeen, can be a cost-effective way of gaining new investors.

These aims can be met in several ways:

Investor relations programme 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 Share Plan, PEP and ISA. These schemes allow investment free of dealing costs and with only nominal exit charges, and have proved popular with private investors.

Direct response advertising The Manager advertises the packaged product availability of the Trust in selected 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 at least three times a year.

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 sixteen years experience in the marketing and communications of investment products. He is supported by a team of three marketing professionals.

Internet Aberdeen Asian Smaller Companies Investment Trust PLC has its own dedicated web site, the site is <http://www.asian-smaller.co.uk>. This allows web users to access information on the Company's share price performance, capital structure, stock exchange announcements and monthly reports. The site is continuously being evaluated for improvement.

It is intended that ongoing Programme activities in these various fields, both proactive and supportive, 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 provides a written summary quarterly.

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

Notice of Meeting

Notice is hereby given that the seventh Annual General Meeting of Aberdeen Asian Smaller Companies Investment Trust PLC will be held at One Bow Churchyard, Cheapside, London EC4M 9HH, at 12.30pm on Tuesday 19 November 2002 for the following purposes:

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

Ordinary Business

1. To receive the Directors' report and financial statements for the year ended 31 July 2002, together with the auditors' report thereon.
2. To approve the payment of a final dividend.
3. To re-elect Mr Gilbert as a Director.
4. To re-elect Mr Kemp as a Director.
5. To re-appoint Ernst & Young LLP as auditors and to authorise the Directors to determine their remuneration.

Special Business

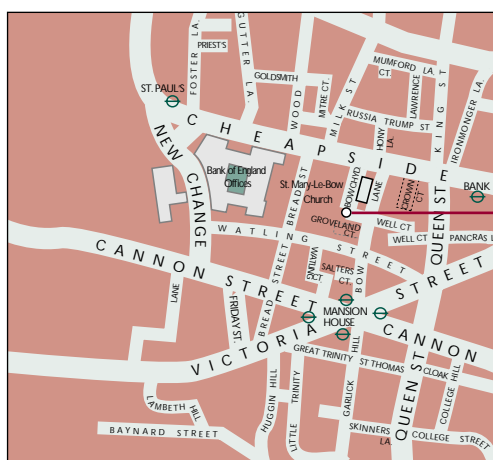
6. THAT with effect from the time of the passing of this resolution the Directors be generally and unconditionally authorised to exercise all the powers of the Company to allot relevant securities (within the meaning of Section 80 of the Companies Act 1985) up to an aggregate amount of £334,426 representing approximately 5 per cent. of the present issued share capital during the period expiring at the conclusion of the next Annual General Meeting of the Company in 2003, but so that this authority shall allow the Company and its Directors to make offers or agreements before such expiry and the Directors may do so as if such expiry had not occurred.
7. THAT subject to the passing of resolution number 6 set out above, the Directors be and are hereby empowered, pursuant to Section 95(1) of the Companies Act 1985, to allot equity securities (within the meaning of Section 94(2) of the said Act) for cash pursuant to the authority conferred by resolution number 6 as if Section 89(1) of the said Act did not apply to any such allotment provided that this power shall be limited to the allotment of equity securities:
 - (a) (otherwise than pursuant to sub-paragraph (b) below) which are, or are to be wholly paid up in cash, at the price of not less than the net asset value per share at allotment, as determined by the Directors, up to an aggregate nominal value of £334,426; and
 - (b) in connection with issues by way of rights in favour of all holders of Ordinary shares where the equity securities respectively attributable to the interests of all such holders are either proportionate (as nearly as may be) to the respective number of Ordinary shares held by them on the record date of such allotment or otherwise allotted in accordance with the right conferred on such equity securities (but subject in either case to such exclusions or other arrangements or legal problems under the laws of or requirements of, any regulatory body or any stock exchange in any territory or otherwise howsoever) at a price of not less than the net asset value per share at allotment, as determined by the Directors;and shall expire at the conclusion of the Annual General Meeting of the Company in 2003, but so that this power shall enable the Company to make offers or agreements before such expiry which would or might require equity securities to be allotted after such expiry and the Directors may do so as if such expiry had not occurred.

Notice of Meeting

8. THAT the Company is, pursuant to Section 166 of the Companies Act 1985, hereby generally and unconditionally authorised to make market purchases (within the meaning of Section 163 of the Companies Act 1985) of Ordinary shares of 25p each in the capital of the Company ("Ordinary shares") provided that:
- 1) the maximum number of Ordinary shares hereby authorised to be purchased is 4,010,439 Ordinary shares being 14.99 per cent. of the issued share capital at the date of the passing of the resolution;
 - 2) the minimum price which may be paid for Ordinary shares is 25p per Ordinary share;
 - 3) 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 derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary share is contracted to be purchased;
 - 4) the Company may make a contract to purchase Ordinary shares under the authority hereby conferred prior to the expiry of such authority which contract to purchase would or might require to be executed wholly or partly after the expiry of such authority, and may make the purchase of Ordinary shares in pursuance of any such contract; and
 - 5) the authority hereby conferred shall expire on the day of the Annual General Meeting to be held in 2003.

One Bow Churchyard, Cheapside,
London EC4M 9HH
14 October 2002

By order of the Board
Aberdeen Asset Management PLC
Secretaries



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 attorney or authority should be sent to The Registrars, Aberdeen Asian Smaller Companies 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. Completing and returning a form of proxy will not prevent a member from attending in person at the meeting referred to above and voting should he or she so wish.
4. The Company, pursuant to Regulation 41 or the Uncertificated Securities Regulations 2001, specifies that only those members registered in the register of members of the Company as at 6.00 p.m. on 15 November 2002 (or in the event that the Meeting is adjourned, on the register of members 48 hours before the time of any adjourned Meeting) shall be entitled to attend or vote at the Meeting in respect of the number of Ordinary shares registered in their name at that time. Changes to entries on the register of members after 6.00 p.m. on 15 November 2002, (or in the event that the Meeting is adjourned, on the register or members less than 48 hours before the time of any adjourned Meeting) shall be disregarded in determining the rights of any person to attend or vote at the Meeting.
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.

Proxy

Please complete in block capitals

I/we[†]

of

being (a) shareholder(s) of Aberdeen Asian Smaller Companies Investment Trust PLC hereby appoint *the Chairman of the meeting/

.....

as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 19 November 2002 and at any adjournment thereof.

I/we direct my/our proxy to vote on the resolutions as set out in the notice convening the Annual General Meeting as follows:

Resolution		For	Against
1. Directors' report and accounts	**		
2. To approve the payment of final dividend	**		
3. To re-elect Mr Gilbert as a Director	**		
4. To re-elect Mr Kemp as a Director	**		
5. Reappointment of auditors	**		
6. Special Business – authority to issue shares	**		
7. Special Business – disapplication of pre-emption rights	**		
8. Special Business – authority to buy back shares	**		

Signed this day of 2002

To be valid, the form of proxy must be lodged with The Registrars, Aberdeen Asian Smaller Companies Investment Trust PLC, Lloyds TSB Registrars, The Causeway, Worthing BN99 6ZR, not less than forty-eight hours before the time fixed for the meeting.

† In any case of joint holders, the signature of any one holder will be sufficient. In the case of a corporation, the proxy should be executed under its common seal or under the hand of an officer/attorney, duly authorised in writing on its behalf. Alternatively, a corporation to which section 36A of the Companies Act 1985 applies may execute this form by a director and the company secretary or by two directors of the company. Each of the officers signing the form should state under his or her signature the office which he or she holds.

* If it is desired to appoint any other person as a proxy, strike out "the Chairman of the meeting".

** Please indicate how you wish your vote to be cast by placing an "X" in the appropriate box. Unless otherwise indicated the proxy will exercise his discretion both as to how to vote and as to whether or not he abstains from voting.

Third Fold and Tuck In

RESPONSE LICENCE No.
SEA 10850

2



**The Registrars
Aberdeen Asian Smaller Companies Investment Trust PLC
Lloyds TSB Registrars
The Causeway
WORTHING
BN99 6ZR**

First Fold

Second Fold

Capital Structure

Issued share capital

26,754,100	Ordinary shares of 25p
6,999,400	Warrants to subscribe at 100p

Capital history

19 October 1995	35,000,000 Ordinary shares of 25p each placed at 100p with 7,000,000 Warrants attaching, each conferring the right to subscribe for one Ordinary share of 25p at 100p.
21 December 1998	600 Ordinary shares issued following the exercise of Warrants.
27 January 2000	3,500,000 Ordinary shares purchased for cancellation at 95p per share.
22 February 2000	1,746,500 Ordinary shares purchased for cancellation at 105p per share.
5 June 2001	500,000 Ordinary shares purchased for cancellation at 90.25p.
31 July 2001	2,500,000 Ordinary shares purchased for cancellation at 91.5p.

Warrants

The Company has 6,999,400 Warrants in issue. The Warrants confer the right to subscribe for one Ordinary share of 25p at 100p on 30 November in any of the years 2002 to 2010 inclusive or, if later, the date in any such year thirty days after the date on which copies of the audited accounts of the Company for its then immediately preceding financial year are dispatched to shareholders.



Aberdeen

Aberdeen Asset Management Asia Limited

21 Church Street, #01-01 Capital Square Two Singapore 049480
Tel: 00 65 395 2700 Fax: 00 65 535 7159

Regulated by The Monetary Authority of Singapore

Aberdeen Asset Managers Limited

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

Regulated by the FSA

Member of the Aberdeen Asset Management Group of Companies