

ABERDEEN EMERGING MARKETS SMALLER Co OPPORTUNITIES FUND, INC.  
Form N-CSR  
January 09, 2017

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**FORM N-CSR**

**CERTIFIED SHAREHOLDER REPORT OF REGISTERED**

**MANAGEMENT INVESTMENT COMPANIES**

Investment Company Act file number:	811-08076
Exact name of registrant as specified in charter:	Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.
Address of principal executive offices:	1735 Market Street, 32nd Floor Philadelphia, PA 19103
Name and address of agent for service:	Ms. Andrea Melia Aberdeen Asset Management Inc. 1735 Market Street, 32nd Floor Philadelphia, PA 19103
Registrant's telephone number, including area code:	800-522-5465
Date of fiscal year end:	October 31
Date of reporting period:	October 31, 2016

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**Item 1 - Reports to Stockholders.**

The Report to Shareholders is attached herewith.

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\* Please note that Aberdeen does not share our shareholder information with any other organizations. You can return to this site at any time to change your email address or edit your preferences.

## Letter to Shareholders (unaudited)

Dear Shareholder,

We present this Annual Report which covers the activities of Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. (the Fund) for the fiscal year ended October 31, 2016. The Fund's principal investment objective is to seek long-term capital appreciation. The Fund seeks to achieve this investment objective by investing primarily in equity securities of emerging market smaller company issuers.

#### NAV Total Return Performance

For the fiscal year ended October 31, 2016, the total return to shareholders of the Fund based on the net asset value (NAV), net of fees, of the Fund was 9.7%, assuming reinvestment of dividends and distributions, versus a return of 5.1% for the Fund's benchmark, the Morgan Stanley Capital International (MSCI) Emerging Markets Small Cap Index.<sup>1</sup> The Fund's total return for the fiscal year ended October 31, 2016 and per annum since inception total return is based on the reported NAV on the financial reporting period end.

#### Share Price Total Return Performance & Discount

For the fiscal year ended October 31, 2016, based on market price, the Fund's total return was 7.6%, assuming reinvestment of dividends and distributions. The Fund's share price increased 6.8% over the fiscal year, from \$11.55 on October 31, 2015 to \$12.33 on October 31, 2016. The Fund's share price on October 31, 2016 represented a discount of 14.6% to the NAV per share of \$14.43 on that date, compared with a discount of 12.9% to the NAV per share of \$13.26 on October 31, 2015.

#### Open Market Repurchase Program

The Fund's policy is to consider buying back Fund shares on the open market when the Fund trades at certain discounts to the NAV and management believes such repurchases may enhance shareholder value. During the fiscal year ended October 31, 2016, the Fund repurchased 90,827 shares. During the fiscal year ended October 31, 2015, the Fund repurchased 29,970 shares.

#### Portfolio Holdings Disclosure

The Fund's complete schedule of portfolio holdings for the second and fourth quarters of each fiscal year are included in the Fund's semi-annual and annual reports to shareholders. The Fund files its complete schedule of portfolio holdings with the Securities and Exchange Commission (SEC) for the first and third quarters of each fiscal year on Form N-Q. The Fund's Form N-Q filings are available on the SEC's website at <http://www.sec.gov> and may be reviewed and copied at the SEC's Public Reference Room in Washington, D.C. Information

about the operation of the Public Reference Room may be obtained by calling 1-800-SEC-0330. The Fund makes the information on Form N-Q available to shareholders on the Fund's website or upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465.

### Proxy Voting

A description of the policies and procedures that the Fund uses to determine how to vote proxies relating to portfolio securities, and information regarding how the Fund voted proxies relating to portfolio securities during the most recent twelve months ended June 30 is available by August 31 of the relevant year: (i) upon request and without charge by calling Investor Relations toll-free at 1-800-522-5465; and (ii) on the SEC's website at <http://www.sec.gov>.

### Unclaimed Share Accounts

Please be advised that abandoned or unclaimed property laws for certain states require financial organizations to transfer (escheat) unclaimed property (including Fund shares) to the state. Each state has its own definition of unclaimed property, and Fund shares could be considered unclaimed property due to account inactivity (e.g., no owner-generated activity for a certain period), returned mail (e.g., when mail sent to a shareholder is returned to the Fund's transfer agent as undeliverable), or a combination of both. If your Fund shares are categorized as unclaimed, your financial advisor or the Fund's transfer agent will follow the applicable state's statutory requirements to contact you, but if unsuccessful, laws may require that the shares be escheated to the appropriate state. If this happens, you will have to contact the state to recover your property, which may involve time and expense. For more information on unclaimed property and how to maintain an active account, please contact your financial advisor or the Fund's transfer agent.

### Investor Relations Information

As part of Aberdeen's commitment to shareholders, we invite you to visit the Fund on the web at [www.aberdeeneabe.com](http://www.aberdeeneabe.com). Here, you can view monthly fact sheets, quarterly commentary, distribution and performance information, updated daily fact sheets courtesy of Morningstar®, portfolio charting and other Fund literature.

Enroll in Aberdeen's email services and be among the first to receive the latest closed-end fund news, announcements, videos and information. In addition, you can receive electronic versions of important Fund documents including annual reports, semi-annual reports, prospectuses, and proxy statements. Sign-up today at [www.aberdeen-asset.us/aam.nsf/usclosed/email](http://www.aberdeen-asset.us/aam.nsf/usclosed/email).

- 1 The MSCI Emerging Markets Small Cap Index is a free float-adjusted market capitalization index that is designed to measure the equity market performance of the small-cap segment of global emerging markets. As of October 31, 2016, the MSCI Emerging Markets Small Cap Index consists of the following 23 emerging market country indexes: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey and United Arab Emirates. No fees or expenses are reflected. You cannot invest directly in an index.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. 1

## Letter to Shareholders (unaudited) (concluded)

For your convenience, included within this report is a reply card with postage paid envelope. Please complete and mail the card if you would like to be added to our enhanced email service and receive future communications from Aberdeen.

Contact Us:

- Visit: [cef.aberdeen-asset.us](http://cef.aberdeen-asset.us);
- Watch:  
[www.aberdeen-asset.us/aam.nsf/usclosed/aberdeentv](http://www.aberdeen-asset.us/aam.nsf/usclosed/aberdeentv);
- Email: [InvestorRelations@aberdeen-asset.com](mailto:InvestorRelations@aberdeen-asset.com); or
- Call: 1-800-522-5465 (toll-free in the U.S.).

Yours sincerely,

**Christian Pittard**  
President

## Dividend Reinvestment and Direct Stock Purchase Plan (unaudited)

Computershare Trust Company, N.A. ( Computershare ), the Fund's transfer agent, sponsors and administers a Dividend Reinvestment and Direct Stock Purchase Plan (the Plan ), which is available to shareholders.

The Plan allows registered stockholders and first-time investors to buy and sell shares and automatically reinvest dividends and capital gains through the transfer agent. This is a cost-effective way to invest in the Fund.

Please note that for both purchase and reinvestment purposes, shares will be purchased in the open market at the current share price and cannot be issued directly by the Fund.

For more information about the Plan and a brochure that includes the terms and conditions of the Plan, please call Computershare at 1-800-647-0584 or visit [www.computershare.com/buyaberdeen](http://www.computershare.com/buyaberdeen).

**All amounts are in U.S. Dollars unless otherwise stated.**

**2** Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Report of the Investment Adviser (unaudited)

### Market/economic review

Shares of smaller companies in emerging stock markets, as measured by the MSCI Emerging Markets Small Cap Index, rose over the 12-month reporting period, but underperformed their larger counterparts, as represented by the MSCI Emerging Markets Index. Among the key events during the period was the interest-rate hike by the U.S. Federal Reserve (Fed) in December 2015, although the well-telegraphed move did not rattle markets. At the start of 2016, weak crude oil prices and a sell-off in Chinese shares heightened risk aversion. However, continued monetary stimulus from global central banks and a sharp rebound in commodity prices spurred a comeback. In June 2016, the UK's vote to leave the European Union sent shockwaves across global markets, and the pound crashed to a multi-year low against the U.S. dollar. Meanwhile, the Fed's decision to delay a subsequent interest-rate hike and signs of stabilization in the Chinese economy supported investor sentiment. However, caution ahead of the U.S. presidential election in early November 2016 capped gains towards the end of the period. Additionally, the Fed raised its benchmark interest rate for the first time in 12 months in mid-December 2016, citing the continued improvement in the U.S. labor market and moderate expansion of economic activity since the middle of 2016.

### Fund performance review

The Fund's overweight to Latin America, and particularly Brazil, was the key contributor to performance for the reporting period. The Brazilian market and currency extended their rally in response to interim President Michel Temer's ambitious program of reforms designed to support the country's public finances, as well as the impeachment of former President Dilma Rousseff. The Fund's Brazilian holdings generally outperformed the broader Latin American market, led by shopping-mall operator Iguatemi, automobile rental company Localiza and retailer Arezzo. Robust performances from the Fund's Indian holdings also benefited performance. Cement producer Ramco reported healthy results over the reporting period, which were attributable to higher prices and lower costs, while Godrej Consumer Products was supported by solid demand and cost discipline.

While the Fund's underweight to Taiwan was a notable detractor from performance for the reporting period, this was offset by the underweight to Korea, as its market was one of the weakest performers. Conversely, the Fund's exposure to Nigeria, which is not represented in the benchmark MSCI Emerging Markets Small Cap Index, hindered performance as the holdings were hampered by the naira's significant devaluation. Brewer Guinness Nigeria was a notable detractor from Fund performance during the reporting period, dragged down further by relatively weak results and disappointment that the anticipated buyout by its parent, Diageo, did not transpire. The Fund's exposure to Egypt also weighed on performance given the uncertainty over whether the currency would be allowed to devalue further. Shares of the Fund's consumer-related holdings, such as packaged foods makers Juhayna and Edita Food Industries, came under particular pressure.

Non-Chinese investors, including the Fund, recently were authorized to invest directly in the People's Republic of China (PRC) by trading with specified brokers in Shanghai or Shenzhen through a stock connect program. Investments through stock connect programs provide additional access to direct PRC investments, but may subject the Fund to additional risks, including those relating to liquidity, currency, legal and regulatory uncertainty, trade execution, operations, tax, counterparties (legal entities which may be exposed to financial risk) and credit.

In portfolio activity, we established a new position in Edita Food Industries, an Egyptian-branded snack-maker with a distribution network spanning the Middle East and Africa. We believe that the company has robust operations, a positive long-term outlook and a decent valuation. We also initiated holdings in three high-quality Turkish companies at what we believed were attractive valuations: life insurance and pension franchise AvivaSA; soft-drink bottler Coca-Cola Icecek; and software developer Logo Yazilim Sanayi ve Ticaret. Additionally, we purchased shares of traditional Chinese-medicine manufacturer Tong Ren Tang Technologies, as we believed it had an attractive valuation, and participated in the rights issues<sup>1</sup> of both Pacific Basin Shipping and Bank Permata, which in our view were attractively discounted. In contrast, we exited positions in Lebanon-based Blom Bank, Brazilian mall operator Multiplan, Hong Kong-based apparel retailer Giordano, Russian retailer O Key Group, and fabric and apparel distributor Texwinca Holdings in favor of what we believed were better opportunities elsewhere.

## Outlook

A reactionary sell-off across the global financial markets immediately following Donald Trump's victory in the U.S. presidential election seemed understandable, as investors had largely priced in a win for Hillary Clinton. However, until there is greater clarity on Trump's policies, we feel that it is difficult to predict the impact on emerging markets over the medium term. One potential concern may be the possibility of increased trade barriers and U.S. withdrawal from or modification of trade agreements. We believe that the other pertinent factors will be the impact of a Trump presidency on the U.S. dollar and the Fed's monetary policy. On a more positive note, however, we think that most emerging economies are in a better position to weather the uncertainty than they were during the taper tantrum<sup>2</sup> in 2013. Furthermore, we feel that many of these countries—such as Brazil, India, and Indonesia—still have room to ease rates to help spur economic activity. At the corporate level, quarterly earnings generally have been in line or slightly above the markets' expectations, supported by lower input costs and improved cost management. We remain confident in the quality of the Fund's holdings, while we feel that valuations remain attractive despite emerging markets turnaround in 2016.

*Aberdeen Asset Managers Limited*

1 A rights issue entitles a company's existing shareholders to buy additional shares directly from the company in proportion to their existing holdings, within a fixed time period.

2 Taper tantrum refers to the sell-off in the U.S. Treasury market and subsequent steep rise in yields in 2013 after the Fed gradually tightened monetary policy.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. 3

## Total Investment Return (unaudited)

October 31, 2016

The following table summarizes the average annual Fund performance compared to the MSCI Emerging Markets ( EM ) Small Cap Index, the Fund's benchmark, for the 1-year, 3-year, 5-year and 10-year periods as of October 31, 2016.(1)

	1 Year	3 Years	5 Years	10 Years
Net Asset Value (NAV)	9.7%	-1.7%	2.3%	3.2%
Market Value	7.6%	-3.4%	1.2%	2.6%
MSCI EM Small Cap Index	5.1%	-0.1%	2.8%	n/a(2)

*Aberdeen Asset Managers Limited has entered into a written contract with the Fund to waive certain fees without which performance would be lower. See Note 3 in the Notes to Financial Statements. This contract aligns with the term of the advisory agreement and may not be terminated prior to the next annual renewal of the term of the advisory agreement. Aberdeen Asset Management Inc. ( AAMI ) has entered into an agreement with the Fund to limit investor relations services fees, without which performance would be lower. For the fiscal year ended October 31, 2016, AAMI did not waive any investor relations services fees because the Fund did not reach the capped amount. See Note 3 in the Notes to Financial Statements. Returns represent past performance. Total investment return at NAV is based on changes in the NAV of Fund shares and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the dividend reinvestment program sponsored by the Fund's transfer agent. All return data at NAV includes fees charged to the Fund, which are listed in the Fund's Statement of Operations under Expenses. Total investment return at market value is based on changes in the market price at which the Fund's shares traded on the NYSE MKT during the period and assumes reinvestment of dividends and distributions, if any, at market prices pursuant to the dividend reinvestment program sponsored by the Fund's transfer agent. The Fund's total investment return is based on the reported NAV on the financial reporting period ended October 31, 2016. Because the Fund's shares trade in the stock market based on investor demand, the Fund may trade at a price higher or lower than its NAV. Therefore, returns are calculated based on both market price and NAV. **Past performance is no guarantee of future results.** The performance information provided does not reflect the deduction of taxes that a shareholder would pay on distributions received from the Fund. The current performance of the Fund may be lower or higher than the figures shown. The Fund's yield, return, market price and NAV will fluctuate. Performance information current to the most recent month-end is available at [www.aberdeenabe.com](http://www.aberdeenabe.com) or by calling 800-522-5465.*

*The net operating expense ratio, excluding fee waivers, based on the fiscal year ended October 31, 2016 was 1.60%. The net operating expense ratio, net of fee waivers, based on the fiscal year ended October 31, 2016 was 1.55%.*

(1) Effective March 15, 2013, the Fund's investment strategy changed from an infrastructure focus to a global emerging markets smaller company issuer focus. In connection with the strategy change, the Fund's benchmark changed from the MSCI Emerging Markets Infrastructure Index to the MSCI EM Small Cap Index. The Fund's performance information for periods that include performance prior to March 15, 2013, such as five- and ten-year performance information, includes periods when the Fund was managed with an infrastructure focus. In light of this, a comparison of that performance to the MSCI EM Small Cap Index may not provide useful information to investors evaluating older Fund performance.

(2) There is no 10-year figure for the MSCI EM Small Cap Index because its inception date is June 1, 2007.

## Portfolio Summary (unaudited)

The following table summarizes the composition of the Fund's portfolio by geographic classification expressed as a percentage of net assets as of October 31, 2016.

Region	As a Percentage of Net Assets
Asia	49.0%
Latin America	16.0%
Europe	13.8%
Africa	11.1%
North America	5.8%
Middle East	2.6%
Global	0.7%
Short-Term Investment	1.8%
Liabilities in Excess of Other Assets	(0.8)%
	100.0%

The following table summarizes the composition of the Fund's portfolio, in Standard & Poor's Global Industry Classification Standard (GICS) Sectors, expressed as a percentage of net assets. The GICS structure consists of 11 sectors, 24 industry groups, 68 industries and 157 subindustries. As of October 31, 2016, the Fund did not have more than 25% of its assets invested in any industry. The sectors, as classified by GICS Sectors, are comprised of several industries. As of October 31, 2016, the Fund held 99.9% of its net assets in equities, 1.8% in a short-term investment and -0.8% in liabilities in excess of other assets.

Asset Allocation	As a Percentage of Net Assets
Consumer Staples	19.7%
Industrials	17.4%
Consumer Discretionary	13.8%
Materials	12.2%
Real Estate	10.4%
Financials	9.3%
Information Technology	9.2%
Health Care	5.8%
Private Equity	1.2%
Short-Term Investment	1.8%
Liabilities in Excess of Other Assets	(0.8)%
	100.0%

## Top Ten Equity Holdings (unaudited)

The following were the Fund's top ten holdings as of October 31, 2016:

Name of Security	As a Percentage of Net Assets
Parque Arauco SA	4.0%
AKR Corporindo Tbk PT	3.6%
Godrej Consumer Products Ltd.	3.5%
Grupo Aeroportuario del Centro Norte SAB de CV, ADR	3.3%
Ramco Cements Ltd. (The)	2.9%
Iguatemi Empresa de Shopping Centers SA	2.7%
Jollibee Foods Corp.	2.5%
EPAM Systems, Inc.	2.4%
Delfi Ltd.	2.3%
Aeon Co. (M) Bhd	2.2%

## Portfolio of Investments

As of October 31, 2016

Shares	Description	Industry	Value (US\$)
<b>LONG-TERM EQUITY SECURITIES IN EMERGING MARKET COUNTRIES 96.6%</b>			
<b>COMMON STOCKS 95.4%</b>			
<b>BRAZIL 9.7%</b>			
238,961	Arezzo Industria e Comercio SA	Textiles, Apparel & Luxury Goods 1.6%	\$ 2,213,683
398,155	Iguatemi Empresa de Shopping Centers SA	Real Estate Management & Development 2.7%	3,760,769
116,450	Localiza Rent a Car SA	Road & Rail 1.0%	1,445,775
410,595	OdontoPrev SA	Health Care Providers & Services 1.1%	1,543,590
154,000	Totvs SA	Software 1.0%	1,397,193
96,852	Valid Solucoes e Servicos de Seguranca em Meios de Pagamento e Identificacao SA	Commercial Services & Supplies 0.7%	907,532
201,000	Wilson Sons Ltd., BDR	Transportation Infrastructure 1.6%	2,172,463
			<b>13,441,005</b>
<b>CHILE 5.1%</b>			
2,234,700	Parque Arauco SA	Real Estate Management & Development 4.0%	5,535,263
745,000	Sonda SA	Information Technology Services 1.1%	1,539,681
			<b>7,074,944</b>
<b>CHINA 3.2%</b>			
835,000	Tong Ren Tang Technologies Co. Ltd., H Shares(a)	Pharmaceuticals 1.1%	1,527,144
1,812,400	Yanlord Land Group Ltd.(a)	Real Estate Management & Development 1.3%	1,803,565
2,704,000	Yingde Gases Group Co. Ltd.(a)	Chemicals 0.8%	1,090,222
			<b>4,420,931</b>
<b>EGYPT 1.3%</b>			
133,914	Edita Food Industries SAE, GDR	Food Products 0.7%	938,737
1,922,692	Juhayna Food Industries	Food Products 0.6%	846,596
			<b>1,785,333</b>
<b>HONG KONG 4.3%</b>			
400,000	Cafe de Coral Holdings Ltd.(a)	Hotels, Restaurants & Leisure 1.0%	1,412,297
1,000,000	Dah Sing Banking Group Ltd.(a)	Banks 1.3%	1,805,975
90,400	Hong Kong Aircraft Engineering Co. Ltd.(a)	Transportation Infrastructure 0.5%	644,026
14,116,000	Pacific Basin Shipping Ltd.(a)(b)	Marine 1.5%	2,107,736
			<b>5,970,034</b>
<b>INDIA 14.8%</b>			
235,000	Castrol (India) Ltd.(a)	Chemicals 1.2%	1,616,866
144,000	Container Corp. of India Ltd.(a)	Road & Rail 2.1%	2,960,495

204,372	Godrej Consumer Products Ltd.(a)	Personal Products 3.5%	4,895,484
450,000	Kansai Nerolac Paints Ltd.(a)	Chemicals 1.9%	2,591,622
220,074	Mphasis Ltd.(a)	Information Technology Services 1.2%	1,693,456
104,500	Piramal Enterprises Ltd.	Pharmaceuticals 2.0%	2,824,339
420,000	Ramco Cements Ltd. (The)(a)	Construction Materials 2.9%	3,988,997
			<b>20,571,259</b>
<b>INDONESIA 9.1%</b>			
36,278,000	Ace Hardware Indonesia Tbk PT(a)	Specialty Retail 1.7%	2,374,929
9,086,300	AKR Corporindo Tbk PT(a)	Trading Companies & Distributors 3.6%	4,932,331
20,098,637	Bank Permata Tbk PT(a)(b)	Banks 0.6%	886,255
2,020,000	Delfi Ltd.	Food Products 2.3%	3,252,327
17,142,800	Holcim Indonesia Tbk PT(a)	Construction Materials 0.9%	1,267,781
			<b>12,713,623</b>

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## Portfolio of Investments (continued)

As of October 31, 2016

Shares	Description	Industry	Value (US\$)
<b>JORDAN 0.9%</b>			
59,806	Hikma Pharmaceuticals PLC(a)	Pharmaceuticals 0.9%	\$ 1,282,738
<b>KENYA 1.5%</b>			
753,800	East African Breweries Ltd.	Beverages 1.5%	2,068,964
<b>MALAYSIA 6.3%</b>			
4,519,900	Aeon Co. (M) Bhd(a)	Multiline Retail 2.2%	3,045,135
300,000	Heineken Malaysia Bhd(a)	Beverages 0.9%	1,228,267
790,200	Oriental Holdings Bhd	Automobiles 0.9%	1,312,919
1,918,782	SP Setia Bhd	Real Estate Management & Development 1.2%	1,600,891
240,000	United Plantations Bhd	Food Products 1.1%	1,596,186
			<b>8,783,398</b>
<b>MEXICO 3.3%</b>			
98,676	Grupo Aeroportuario del Centro Norte SAB de CV, ADR	Transportation Infrastructure 3.3%	4,608,169
<b>NETHERLANDS 1.6%</b>			
52,000	ASM International NV(a)	Semiconductors & Semiconductor Equipment 1.6%	2,218,084
<b>NIGERIA 1.0%</b>			
2,125,000	Guinness Nigeria PLC	Beverages 0.4%	539,255
19,437,011	Zenith Bank PLC	Banks 0.6%	908,807
			<b>1,448,062</b>
<b>PERU 1.2%</b>			
195,354	Grana y Montero SA, ADR	Construction & Engineering 1.2%	1,629,252
<b>PHILIPPINES 2.5%</b>			
705,660	Jollibee Foods Corp.(a)	Hotels, Restaurants & Leisure 2.5%	3,465,521
<b>POLAND 1.6%</b>			
217,115	Eurocash SA (a)	Food & Staples Retailing 1.6%	2,198,844
<b>REPUBLIC OF SOUTH KOREA 2.2%</b>			
261,171	BNK Financial Group, Inc.(a)	Banks 1.5%	2,116,985
6,000	Shinsegae, Inc.(a)	Multiline Retail 0.7%	974,557
			<b>3,091,542</b>
<b>ROMANIA 1.9%</b>			
989,000	BRD-Groupe Societe Generale SA(a)	Banks 1.9%	2,645,217
<b>RUSSIA 1.0%</b>			
133,150	Synergy PJSC(b)	Beverages 1.0%	1,392,377
<b>SOUTH AFRICA 8.6%</b>			
1,303,000	African Oxygen Ltd.(a)	Chemicals 1.3%	1,900,456
196,384	City Lodge Hotels Ltd.	Hotels, Restaurants & Leisure 1.5%	2,123,212
324,900	Clicks Group Ltd.	Food & Staples Retailing 2.2%	3,024,007
187,676	JSE Ltd.(a)	Capital Markets 1.6%	2,186,449
193,735	The SPAR Group Ltd.	Food & Staples Retailing 2.0%	2,744,295
			<b>11,978,419</b>
<b>SRI LANKA 1.9%</b>			

2,583,318	John Keells Holdings PLC	Industrial Conglomerates	1.9%	2,602,531
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Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. 7

## Portfolio of Investments (continued)

As of October 31, 2016

Shares	Description	Industry	Value (US\$)
<b>TAIWAN 0.9%</b>			
90,000	Poya International Co. Ltd.(a)	Multiline Retail 0.9%	\$ 1,308,321
<b>THAILAND 4.9%</b>			
1,900,100	BEC World PCL, Foreign Shares(a)	Media 0.8%	1,112,542
190,000	Bumrungrad Hospital PCL, Foreign Shares(a)	Health Care Providers & Services 0.7%	992,568
1,020,000	Central Pattana PCL, Foreign Shares(a)	Real Estate Management & Development 1.2%	1,628,096
1,679,000	Hana Microelectronics PCL, Foreign Shares(a)	Electronic Equipment Instruments & Components 1.1%	1,533,343
184,000	Siam City Cement PCL, Foreign Shares(a)	Construction Materials 1.1%	1,518,849
			<b>6,785,398</b>
<b>TURKEY 6.6%</b>			
1,982,000	Aksigorta AS(a)(b)	Insurance 0.9%	1,295,886
176,154	AvivaSA Emeklilik ve Hayat AS	Insurance 0.9%	1,188,687
584,702	Cimsa Cimento Sanayi VE Ticaret A.S.(a)	Construction Materials 2.1%	2,906,190
238,391	Coca-Cola Icecek AS(a)	Beverages 1.9%	2,697,004
71,290	Logo Yazilim Sanayi Ve Ticaret(b)	Software 0.8%	1,175,015
			<b>9,262,782</b>
			<b>132,746,748</b>
<b>PRIVATE EQUITY 1.2%</b>			
<b>GLOBAL 0.8%</b>			
7,248,829(c)	Emerging Markets Ventures I, L.P.(a)(b)(d)(e)(f)(g)	Private Equity 0.1%	150,921
2,400,000(c)	Telesoft Partners II QP, L.P.(a)(b)(d)(g)(h)	Private Equity 0.7%	923,496
			<b>1,074,417</b>
<b>ISRAEL 0.4%</b>			
1,674,587(c)	BPA Israel Ventures, LLC(a)(b)(d)(e)(f)(g)	Private Equity 0.1%	197,099
72,640	Exent Technologies Ltd. Preferred A1 Shares(a)(b)(d)(g)(h)(i)	Private Equity %	
62,304	Exent Technologies Ltd. Preferred C Shares(a)(b)(d)(g)(h)(i)	Private Equity %	
15,716	Exent Technologies Ltd. Warrants A1(a)(b)(d)(g)(h)(i)	Private Equity %	
52	Flash Networks Ltd. Warrants Ordinary(a)(b)(d)(g)(h)(i)	Private Equity %	
46,856	Flash Networks Ltd. Ordinary Shares(a)(b)(d)(g)(h)(i)	Private Equity %	33,590
12	Flash Networks Ltd. Series C Preferred(a)(b)(d)(g)(h)(i)	Private Equity %	
23,264		Private Equity %	

	Flash Networks Ltd. Series C-1 Preferred(a)(b)(d)(g)(h)(i)			
13,526	Flash Networks Ltd. Series D Preferred(a)(b)(d)(g)(h)(i)	Private Equity	%	
9,952	Flash Networks Ltd. Series E Preferred(a)(b)(d)(g)(h)(i)	Private Equity	%	
22	Flash Networks Ltd. Warrants C(a)(b)(d)(g)(h)(i)	Private Equity	%	
2,750,000(c)	Giza GE Venture Fund III, L.P.(a)(b)(d)(e)(g)	Private Equity	0.1%	100,073
761,184(c)	Neurone Ventures II, L.P.(a)(b)(d)(g)(h)	Private Equity	0.2%	294,517
32,574	Vidyo, Inc. Trust A (Preferred)(a)(b)(d)(g)(h)(j)	Private Equity	%	
15,531	Vidyo, Inc. Trust B (Preferred)(a)(b)(d)(g)(h)(j)	Private Equity	%	
13,219	Vidyo, Inc. Trust B1 (Preferred)(a)(b)(d)(g)(h)(j)	Private Equity	%	
6,864	Vidyo, Inc. Trust C (Preferred)(a)(b)(d)(g)(h)(j)	Private Equity	%	
4,150	Vidyo, Inc. Trust C1 (Preferred)(a)(b)(d)(g)(h)(j)	Private Equity	%	
1,802	Vidyo, Inc. Trust Common(a)(b)(d)(g)(h)(j)	Private Equity	%	
2,713	Vidyo, Inc. Trust D (Preferred)(a)(b)(d)(g)(h)(j)	Private Equity	%	
				<b>625,279</b>
				<b>1,699,696</b>

8 Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Portfolio of Investments (concluded)

As of October 31, 2016

Shares	Description	Industry	Value (US\$)
<b>WARRANT 0.0%</b>			
<b>SRI LANKA 0.0%</b>			
105,832	John Keells Holdings PLC, expires 11/11/16(b)	Industrial Conglomerates	% \$
<b>Total Long-Term Equity Securities in Emerging Market Countries 96.6% (cost \$151,283,283)</b>			<b>134,446,444</b>
<b>LONG-TERM EQUITY SECURITIES IN DEVELOPED MARKET COUNTRIES 2.4%</b>			
<b>COMMON STOCK 2.4%</b>			
<b>UNITED STATES 2.4%</b>			
52,162	EPAM Systems, Inc.(b)	Information Technology Services 2.4%	3,357,668 <b>3,357,668</b>
<b>PRIVATE EQUITY 0.0%</b>			
<b>UNITED STATES 0.0%</b>			
1,952,000(c)	Technology Crossover Ventures IV, L.P.(a)(b)(d)(e)(f)(g)	Private Equity	% 2,323 <b>2,323</b>
<b>Total Long-Term Equity Securities in Developed Market Countries 2.4% (cost \$2,405,484)</b>			<b>3,359,991</b>
<b>Description</b>			
<b>SHORT-TERM INVESTMENT 1.8%</b>			
<b>UNITED STATES 1.8%</b>			
2,495,491	State Street Institutional U.S. Government Money Market Fund(k)		2,495,491
<b>Total Short-Term Investment 1.8% (cost \$2,495,491)</b>			<b>2,495,491</b>
<b>Total Investments 100.8% (cost \$156,184,258)(l)</b>			<b>140,301,926</b>
Liabilities in Excess of Other Assets (0.8)%			(1,138,156)
<b>Net Assets 100.0%</b>			<b>\$ 139,163,770</b>

(a) Fair Values are determined pursuant to procedures approved by the Fund's Board of Directors. Unless otherwise noted, securities are valued by applying valuation factors to the exchange traded price. See Note 2(a) of the accompanying Notes to Financial Statements.

(b) Non-income producing security.

(c) Represents contributed capital.

(d) Illiquid security.

(e) In liquidation.

(f) As of October 31, 2016, the aggregate amount of open commitments for the Fund is \$1,524,584.

(g) Restricted security, not readily marketable. See Note 6 of the accompanying Notes to Financial Statements.

- (h) Active investments.
- (i) Exent Technologies Ltd. and Flash Networks Ltd. were securities received from the dissolution of Concord Fund I Liquidating Main Trust. See Note 6 of the accompanying Notes to Portfolio Statements.
- (j) Vidyo, Inc. Trust was a spinoff from SVE Star Ventures IX. See Note 6 of the accompanying Notes to Financial Statements.
- (k) Registered investment company advised by State Street Global Advisors.
- (l) See accompanying Notes to Financial Statements for tax unrealized appreciation/(depreciation) of securities.

ADR	American Depositary Receipt
BDR	Brazilian Depositary Receipt
GDR	Global Depositary Receipt

See Notes to Financial Statements.

## Statement of Assets and Liabilities

As of October 31, 2016

### Assets

Investments, at value (cost \$153,688,767)	\$ 137,806,435
Short-term investments, at value (cost \$2,495,491)	2,495,491
Foreign currency, at value (cost \$29,040)	29,721
Interest and dividends receivable	192,899
Other receivables	1,683
Prepaid expenses	26,811
<b>Total assets</b>	<b>140,553,040</b>

### Liabilities

Payable for investments purchased	1,114,136
Investment advisory fees payable (Note 3)	120,403
Accrued expenses	72,216
Independent auditors' fees and expenses payable	63,534
Administration fee payable (Note 3)	9,434
Investor relations fees payable (Note 3)	6,547
Director fees payable	3,000
<b>Total liabilities</b>	<b>1,389,270</b>

### Net Assets

**\$ 139,163,770**

### Composition of Net Assets:

Common stock (par value \$.001 per share) (Note 5)	\$ 9,644
Paid-in capital in excess of par	162,972,080
Accumulated net investment income	765,324
Accumulated net realized loss from investment and foreign currency transactions	(8,700,670)
Net unrealized (depreciation) on investments and other assets and liabilities denominated in foreign currencies	(15,882,608)
<b>Net Assets</b>	<b>\$ 139,163,770</b>
Net asset value per share based on 9,643,935 shares issued and outstanding	\$ 14.43

See Notes to Financial Statements.

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Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Statement of Operations

For the Fiscal Year Ended October 31, 2016

### Net Investment Income

#### Income

Dividends and other income (net of foreign withholding taxes of \$260,981)	\$ 3,395,731
Total Investment Income	3,395,731

#### Expenses

Investment advisory fee (Note 3)	1,393,655
Directors' fees and expenses	118,526
Custodian's fees and expenses	117,207
Administration fee (Note 3)	104,264
Investor relations fees and expenses (Note 3)	65,341
Independent auditors' fees and expenses	57,804
Reports to shareholders and proxy solicitation	48,767
Insurance expense	41,198
Legal fees and expenses	36,453
Transfer agent's fees and expenses	23,929
Miscellaneous	74,705
Total expenses	2,081,849
Less: Fee waivers (Note 3)	(56,394)
Net expenses	2,025,455

Net Investment Income	1,370,276
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### Net Realized/Unrealized Gain/(Loss) from Investments and Foreign Currency

#### Related Transactions:

#### Net realized gain/(loss) from:

Investment transactions(a)	(11,709,535)
Foreign currency transactions	(103,295)
	(11,812,830)

#### Net change in unrealized appreciation/(depreciation) on:

Investments	22,494,057
Foreign currency translation	25,374
	22,519,431
Net realized and unrealized gain from investments	10,706,601
Net Increase in Net Assets Resulting from Operations	\$ 12,076,877

(a) Includes realized gain portion of distributions from underlying private equity investments of \$2,179.

See Notes to Financial Statements.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. 11

## Statements of Changes in Net Assets

	For the Year Ended October 31, 2016	For the Year Ended October 31, 2015
<b>Increase/(Decrease) in Net Assets</b>		
<b>Operations:</b>		
Net investment income	\$ 1,370,276	\$ 1,116,635
Net realized gain/(loss) from investment and foreign currency related transactions	(11,812,830)	310,198
Net change in unrealized appreciation/(depreciation) on investments and foreign currency translations	22,519,431	(23,146,306)
Net increase/(decrease) in net assets resulting from operations	12,076,877	(21,719,473)
<b>Distributions to Shareholders from:</b>		
Net investment income	(970,048)	(2,029,014)
Net decrease in net assets from distributions	(970,048)	(2,029,014)
<b>Common Stock Transactions:</b>		
Repurchase of common stock from open market repurchase program (90,827 and 29,970 shares, respectively) (Note 7)	(1,043,716)	(366,470)
Change in net assets from capital transactions	(1,043,716)	(366,470)
Change in net assets resulting from operations	10,063,113	(24,114,957)
<b>Net Assets:</b>		
Beginning of year	129,100,657	153,215,614
End of year (including accumulated net investment income of \$765,324 and \$466,142, respectively)	<b>\$ 139,163,770</b>	<b>\$ 129,100,657</b>

See Notes to Financial Statements.

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Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

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## Financial Highlights

	For the Fiscal Years Ended October 31,				
	2016	2015	2014	2013	2012
<b>PER SHARE OPERATING PERFORMANCE(a):</b>					
Net asset value per common share, beginning of year	\$13.26	\$15.69	\$22.69	\$22.95	\$20.02
Net investment income	0.14	0.11	0.18	0.23	0.42
Net realized and unrealized gains/(losses) on investments and foreign currency transactions	1.11	(2.34)	(0.93)	(0.10)	2.85
Total from investment operations applicable to common shareholders	1.25	(2.23)	(0.75)	0.13	3.27
Distributions to common shareholders from:					
Net investment income	(0.10)	(0.21)	(0.30)	(0.39)	(0.34)
Net realized gains			(5.73)		
Total distributions	(0.10)	(0.21)	(6.03)	(0.39)	(0.34)
Capital Share Transactions:					
Impact due to capital shares issued from stock distribution			(0.22)		
Impact due to open market repurchase program (Note 7)	0.02	0.01			
Total capital share transactions	0.02	0.01	(0.22)		
Net asset value per common share, end of year	\$14.43	\$13.26	\$15.69	\$22.69	\$22.95
Market value, end of year	\$12.33	\$11.55	\$14.15	\$20.47	\$20.65
<b>Total Investment Return Based on(b):</b>					
Market value	7.60%	(17.08%)	1.00%	1.04%	16.56%
Net asset value	9.69%	(14.15%)	1.03%	0.77%	16.67%
<b>Ratio to Average Net Assets Applicable to Common Shareholders/Supplementary Data:</b>					
Net assets applicable to common shareholders, end of year (000 omitted)	\$139,164	\$129,101	\$153,216	\$187,147	\$189,240
Average net assets applicable to common shareholders (000 omitted)	\$130,330	\$140,522	\$151,939	\$190,084	\$175,613
Net operating expenses, net of fee waivers	1.55%	1.52%	1.61%	1.47%	1.43%
Net operating expenses, excluding fee waivers	1.60%	1.57%	1.66%	1.52%	1.48%
Net investment income	1.05%	0.79%	1.12%	0.99%	1.97%
Portfolio turnover	13.89%	9.08%	9.88%	99.18%	5.14%

(a) Based on average shares outstanding.

(b) Total investment return based on market value is calculated assuming that shares of the Fund's common stock were purchased at the closing market price as of the beginning of the period, dividends, capital gains, and other distributions were reinvested as provided for in the Fund's dividend reinvestment plan and then sold at the closing market price per share on the last day of the period. The computation does not reflect any sales commission investors may incur in purchasing or selling shares of the Fund. The total investment return based on the net asset value is similarly computed except that the Fund's net asset value is

substituted for the closing market value.

Amounts listed as are \$0 or round to \$0.

See Notes to Financial Statements.

## Notes to Financial Statements

October 31, 2016

## 1. Organization

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. (the Fund ) was incorporated in Maryland on October 12, 1993, and is registered under the Investment Company Act of 1940, as amended (the 1940 Act ), as a closed-end nondiversified management investment company. The Fund trades on the NYSE MKT under the ticker symbol ABE .

The Fund s investment objective is to seek long-term capital appreciation.

As a fundamental policy, under normal market conditions, at least 80% of the Fund s net assets, plus any borrowings for investment purposes, will be invested in equity securities of emerging market smaller company issuers. An emerging market country is any country determined by Aberdeen Asset Managers Limited, the Fund s investment adviser ( AAML or the Adviser ), to have an emerging market economy, considering factors such as the country s credit rating, its political and economic stability and the development of its financial and capital markets. Emerging market countries for purposes of this policy can include every nation in the world except the U.S., Canada, Japan, Australia, New Zealand and most countries located in Western Europe. Smaller companies for the purposes of this policy can be companies that, at the time of purchase, have a market capitalization of less than \$5 billion.

## 2. Summary of Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund in the preparation of its financial statements. The policies conform to accounting principles generally accepted in the United States of America ( GAAP ). The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses for the period. Actual results could differ from those estimates. The accounting records of the Fund are maintained in U.S. Dollars.

### a. Security Valuation:

The Fund values its securities at current market value or fair value, consistent with regulatory requirements. Fair Value is defined in the Fund s Valuation and Liquidity Procedures as the price that could be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants without a compulsion to contract at the measurement date.

Equity securities that are traded on an exchange are valued at the last quoted sale price on the principal exchange on which the security is

traded at the Valuation Time subject to application, when appropriate, of the valuation factors described in the paragraph below. The Valuation Time is as of the close of regular trading on the New York Stock Exchange (usually 4:00 p.m. Eastern Time). In the absence of a sale price, the security is valued at the mean of the bid/ask price quoted at the close on the principal exchange on which the security is traded. Securities traded on NASDAQ are valued at the NASDAQ official closing price. Closed-end funds and exchange-traded funds ( ETFs ) are valued at the market price of the security at the Valuation Time. A security using any of these

pricing methodologies is determined to be a Level 1 investment.

Foreign equity securities that are traded on foreign exchanges that close prior to the Valuation Time are valued by applying valuation factors to the last sale price or the mean price as noted above. Valuation factors are provided by an independent pricing service provider approved by the Fund's Board of Directors (the Board). These valuation factors are used when pricing the Fund's portfolio holdings to estimate market movements between the time foreign markets close and the time the Fund values such foreign securities. These valuation factors are based on inputs such as depositary receipts, indices, futures, sector indices/ETFs, exchange rates, and local exchange opening and closing prices of each security. When prices with the application of valuation factors are utilized, the value assigned to the foreign securities may not be the same as quoted or published prices of the securities on their primary markets. A security that applies a valuation factor is determined to be a Level 2 investment because the exchange-traded price has been adjusted. Valuation factors are not utilized if the independent pricing service provider is unable to provide a valuation factor or if the valuation factor falls below a predetermined threshold; in such case, the security is determined to be a Level 1 investment.

Short-term investments are comprised of cash and cash equivalents invested in short-term investment funds which are redeemable daily. The Fund sweeps available cash into the State Street Institutional U.S. Government Money Market Fund; which has elected to qualify as a government money market fund pursuant to Rule 2a-7 under the 1940 Act and which has an objective to maintain a \$1.00 per share net asset value (NAV), which is not guaranteed. Generally, these investments are categorized as Level 1 investments.

In the event that a security's market quotations are not readily available or are deemed unreliable (for reasons other than because the foreign exchange on which it trades closes before the Valuation Time), the security is valued at fair value as determined by the Fund's Pricing Committee, taking into account the relevant factors and surrounding circumstances using valuation policies and procedures approved and

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## Notes to Financial Statements (continued)

October 31, 2016

established by the Board. A security that has been fair valued by the Fund's Pricing Committee may be classified as Level 2 or Level 3 depending on the nature of the inputs.

The Fund may also invest in private equity private placement securities, which represented 1.2% of the net assets of the Fund as of October 31, 2016. The private equity private placement securities are deemed to be restricted securities. In the absence of readily ascertainable market values, these securities are valued at fair value as determined in good faith by, or under the direction of the Board, pursuant to valuation policies and procedures established by the Board. The Fund's estimate of fair value assumes a willing buyer and a willing seller neither of whom are acting under the compulsion to buy or sell. Although these securities may be resold in privately negotiated transactions, the prices realized on such sales could differ from the prices originally paid by the Fund or the current carrying values, and the difference could be material. These securities are stated at fair value as determined by the Fund's Pricing Committee by utilizing the net asset valuations provided by the underlying funds as a practical expedient. In determining the fair value of these investments, management uses the market approach which includes as the primary input the capital balance reported; however, adjustments to the reported capital balance may be made based on various factors, including, but not limited to, the attributes of the interest held, including the rights and obligations, and any restrictions or illiquidity of such interests, and the fair value of these private equity investments.

In accordance with the authoritative guidance on fair value measurements and disclosures under GAAP, the Fund discloses the fair value of its investments using a three-level hierarchy that classifies the inputs to valuation techniques used to measure the fair value. The

hierarchy assigns Level 1 measurements to valuations based upon unadjusted quoted prices in active markets for identical assets, Level 2 measurements to valuations based upon other significant observable inputs, including adjusted quoted prices in active markets for similar assets, and Level 3 measurements to valuations based upon unobservable inputs that are significant to the valuation. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability, which are based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. A financial instrument's level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. The three-level hierarchy of inputs is summarized below:

Level 1 quoted prices in active markets for identical investments;

Level 2 other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, and credit risk); or

Level 3 significant unobservable inputs (including the Fund's own assumptions in determining the fair value of investments).

The following is a summary of the inputs used as of October 31, 2016 in valuing the Fund's investments and other financial instruments at fair value. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities. Please refer to the Portfolio of Investments for a detailed breakout of the security types:

<b>Investments, at Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Long-Term Investments				
Automobiles	\$1,312,919	\$	\$	\$1,312,919
Banks	908,807	7,454,432		8,363,239
Beverages	4,000,596	3,925,271		7,925,867
Commercial Services & Supplies	907,532			907,532
Construction & Engineering	1,629,252			1,629,252
Food & Staples Retailing	5,768,302	2,198,844		7,967,146
Food Products	6,633,846			6,633,846
Health Care Providers & Services	1,543,590	992,568		2,536,158
Hotels, Restaurants & Leisure	2,123,212	4,877,818		7,001,030
Industrial Conglomerates	2,602,531			2,602,531
Information Technology Services	4,897,349	1,693,456		6,590,805
Insurance	1,188,687	1,295,886		2,484,573
Pharmaceuticals	2,824,339	2,809,882		5,634,221
Real Estate Management & Development	10,896,923	3,431,661		14,328,584

## Notes to Financial Statements (continued)

October 31, 2016

<b>Investments, at Value</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
Road & Rail	\$1,445,775	\$2,960,495	\$	\$4,406,270
Software	2,572,208			2,572,208
Textiles, Apparel & Luxury Goods	2,213,683			2,213,683
Transportation Infrastructure	6,780,632	644,026		7,424,658
Other		43,569,894		43,569,894
Short-Term Investment	2,495,491			2,495,491
<b>Total</b>	<b>\$62,745,674</b>	<b>\$75,854,233</b>	<b>\$</b>	<b>\$138,599,907</b>
Private Equity(a)				1,702,019
<b>Total Investments</b>				<b>\$140,301,926</b>

Amounts listed as are \$0 or round to \$0.

(a) Private Equity investments are measured at the net asset valuations, as a practical expedient for fair value, and are not required to be classified in the fair value hierarchy as per Accounting Standards Update 2015-07. The fair value amounts presented are intended to permit reconciliation to the total investment amount presented in the Schedule of Investments.

For movements between the Levels within the fair value hierarchy, the Fund has adopted a policy of recognizing transfers at the end of each fiscal period. The utilization of valuation factors may result in transfers between Level 1 and Level 2. For the fiscal year ended October 31, 2016, securities issued by African Oxygen Ltd. and Mphasis Ltd. in the amounts of \$1,900,457 and \$1,693,456, respectively, transferred from Level 1 to Level 2 because there was a valuation factor applied at October 31, 2016. Securities issued by Clicks Group Ltd., East African Breweries Ltd., John Keells Holdings PLC, The Spar Group Ltd. and Zenith Bank PLC in the amounts of \$3,024,006, \$2,068,964, \$2,602,531, \$2,744,295 and \$908,807, respectively, transferred from Level 2 to Level 1 because there was not a valuation factor applied at October 31, 2016.

**b. Foreign Currency Translation:**

Foreign securities, currencies, and other assets and liabilities denominated in foreign currencies are translated into U.S. Dollars at the exchange rate of said currencies against the U.S. Dollar, as of the Valuation Time, as provided by an independent pricing service approved by the Board.

Foreign currency amounts are translated into U.S. Dollars on the following basis:

- (i) market value of investment securities, other assets and liabilities at the current daily rates of exchange; and
- (ii) purchases and sales of investment securities, income and expenses at the rate of exchange prevailing on the respective dates of such transactions.

The Fund does not isolate that portion of gains and losses on investments in equity securities which is due to changes in the foreign exchange rates from that which is due to changes in market prices of equity securities. Accordingly, realized and unrealized foreign currency gains and losses with respect to such securities are included in the reported net realized and unrealized gains and losses on investment transactions balances.

The Fund reports certain foreign currency related transactions and foreign taxes withheld on security transactions as components of realized gains for financial reporting purposes, whereas such foreign currency related transactions are treated as ordinary income for U.S. federal income tax purposes.

Net unrealized currency gains or losses from valuing foreign currency denominated assets and liabilities at period end exchange rates are reflected as a component of net unrealized appreciation/depreciation in value of investments, and translation of other assets and liabilities denominated in foreign currencies.

Net realized foreign exchange gains or losses represent foreign exchange gains and losses from transactions in foreign currencies and forward foreign currency contracts, exchange gains or losses realized between the trade date and settlement date on security transactions, and the difference between the amounts of interest and dividends recorded on the Fund's books and the U.S. Dollar equivalent of the amounts actually received.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin, including unanticipated movements in the value of the foreign

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## Notes to Financial Statements (continued)

October 31, 2016

currency relative to the U.S. Dollar. Generally, when the U.S. Dollar rises in value against foreign currency, the Fund's investments denominated in that foreign currency will lose value because the foreign currency is worth fewer U.S. Dollars; the opposite effect occurs if the U.S. Dollar falls in relative value.

**c. Rights Issues and Warrants:**

Rights issues give the right, normally to existing shareholders, to buy a proportional number of additional securities at a given price (generally at a discount) within a fixed period (generally on a short term period) and are offered at the company's discretion. Warrants are securities that give the holder the right to buy common stock at a specified price for a specified period of time. Rights issues and warrants are speculative and have no value if they are not exercised before the expiration date. Rights issues and warrants are valued at the last sale price on the exchange on which they are traded.

**d. Security Transactions, Investment Income and Expenses:**

Security transactions are recorded on the trade date. Realized and unrealized gains/(losses) from security and currency transactions are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date except for certain dividends on foreign securities, which are recorded as soon as the Fund is informed after the ex-dividend date. Interest income and expenses are recorded on an accrual basis.

**e. Distributions:**

The Fund records dividends and distributions payable to its stockholders on the ex-dividend date. The amount of dividends and distributions from net investment income and net realized capital gains are determined in accordance with federal income tax regulations, which may differ from GAAP. These book basis/tax basis (book/tax) differences are either considered temporary or permanent in nature. To the extent these differences are permanent in nature, such amounts are reclassified within the capital accounts based on their federal tax basis treatment; temporary differences do not require reclassification. Dividends and distributions which exceed net investment income and net realized capital gains for tax purposes are reported as return of capital.

**f. Federal Income Taxes:**

The Fund intends to continue to qualify as a regulated investment company by complying with the provisions available to certain investment companies, as defined in Subchapter M of the Internal Revenue Code of 1986, as amended, and to make distributions of net investment income and net realized capital gains sufficient to relieve

the Fund from all federal income taxes. Therefore, no federal income tax provision is required.

The Fund recognizes the tax benefits of uncertain tax positions only where the position is more likely than not to be sustained assuming examination by tax authorities. Management of the Fund has concluded that there are no significant uncertain tax positions that would require recognition in the financial statements (or expected to be taken in future tax years). Since tax authorities can examine previously filed tax returns, the Fund's U.S. federal and state tax returns for each of the four fiscal years up to the most recent fiscal year ended October 31 are subject to such review.

**g. Foreign Withholding Tax:**

Dividend and interest income from non-U.S. sources received by the Fund are generally subject to non-U.S. withholding taxes. In addition, the Fund may be subject to capital gains tax in certain countries in which it invests. The above taxes may be reduced or eliminated under the terms of applicable U.S. income tax treaties with some of these countries. The Fund accrues such taxes when the related income is earned.

**h. Partnership Accounting Policy:**

The Fund records its pro-rata share of the income/(loss) and capital gains/(losses) allocated from the private equity investments, which are classified as partnerships, and adjusts the cost of the underlying partnerships accordingly. These amounts are included in the Fund's Statement of Operations.

**i. Repurchase Agreements**

The Fund may enter into repurchase agreements under the terms of a Master Repurchase Agreement. It is the Fund's policy that its custodian/counterparty segregates the underlying collateral securities, the value of which exceeds the principal amount of the repurchase transaction, including accrued interest. The repurchase price generally equals the price paid by the Fund plus interest negotiated on the basis of current short-term rates. To the extent that any repurchase transaction exceeds one business day, the collateral is valued on a daily basis to determine its adequacy. Under the Master Repurchase Agreement, if the counterparty defaults and the value of the collateral declines, or if bankruptcy proceedings are commenced with respect to the counterparty of the security, realization of the collateral by the Fund may be delayed or limited. Repurchase agreements are subject to contractual netting arrangements with the counterparty, Fixed Income Clearing Corp. To the extent the Fund enters into repurchase agreements, additional information on individual repurchase agreements is included in the Statements of Investments.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. 17

## Notes to Financial Statements (continued)

October 31, 2016

### 3. Agreements and Transactions with Affiliates

#### a. Investment Adviser:

AAML serves as the Fund's investment adviser with respect to all investments. AAML is a direct wholly-owned subsidiary of Aberdeen Asset Management PLC. AAML receives, as compensation for its advisory services from the Fund, an annual fee, calculated weekly and paid quarterly, equal to 1.25% of the first \$100 million of the Fund's average weekly market value or net assets (whichever is lower), 1.125% of the next \$100 million and 1.00% of amounts in excess of \$200 million. AAML has agreed to contractually waive 0.05% of its annual advisory fee.

#### b. Fund Administration:

Aberdeen Asset Management Inc. ( AAMI ), an affiliate of the Adviser, is the Fund's Administrator, pursuant to an agreement under which AAMI receives a fee payable quarterly by the Fund, at an annual fee rate of 0.08% of the Fund's average monthly Managed Assets.

#### c. Investor Relations:

Under the terms of the Investor Relations Services Agreement, AAMI provides and pays third parties to provide investor relations services to the Fund and certain other funds advised by AAML or its affiliates as part of an Investor Relations Program. Under the Investor Relations Services Agreement, the Fund owes a portion of the fees related to the Investor Relations Program (the Fund's Portion ). However, investor relations services fees are limited by AAMI so that the Fund will only pay up to an annual rate of 0.05% of the Fund's average weekly net assets. Any difference between the capped rate of 0.05% of the Fund's average weekly net assets and the Fund's Portion is paid for by AAMI.

Pursuant to the terms of the Investor Relations Services Agreement, AAMI provides, among other things, objective and timely information to shareholders based on publicly-available information; provides information efficiently through the use of technology while offering shareholders immediate access to knowledgeable investor relations

representatives; develops and maintains effective communications with investment professionals from a wide variety of firms; creates and maintains investor relations communication materials such as fund manager interviews, films and webcasts, published white papers, magazine articles and other relevant materials discussing the Fund's investment results, portfolio positioning and outlook; develops and maintains effective communications with large institutional shareholders; responds to specific shareholder questions; and reports activities and results to the Board and management detailing insight into general shareholder sentiment.

During the fiscal year ended October 31, 2016, the Fund incurred investor relations fees of approximately \$64,324. For the fiscal year ended October 31, 2016, AAMI did not waive any investor relations fees because the Fund did not reach the capped amount. Investor relations fees and expenses in the Statement of Operations include certain out-of-pocket expenses.

d. Directors Purchase Plan:

Fifty percent (50%) of the annual retainer of the Independent Directors is invested in Fund shares and, at the option of each Independent Director, up to 100% of the annual retainer can be invested in shares of the Fund. During the fiscal year ended October 31, 2016, 3,924 shares were purchased pursuant to the Directors' compensation plan. As of October 31, 2016, the Directors as a group owned less than 1% of the Fund's outstanding shares.

4. Investment Transactions

Purchases and sales of investment securities (excluding short-term securities) for the fiscal year ended October 31, 2016, were \$17,996,805 and \$17,938,213, respectively.

5. Capital

The authorized capital of the Fund is 100 million shares of \$0.001 par value common stock. As of October 31, 2016, there were 9,643,935 shares of common stock issued and outstanding.

18 Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Notes to Financial Statements (continued)

October 31, 2016

### 6. Private Equity Investments:

Certain of the Fund's investments, listed in the chart below, are restricted as to resale and are valued at fair value as determined in good faith by, or under the direction of, the Board under procedures established by the Board in the absence of readily ascertainable market values.

Security (1)	Acquisition Date(s)	Cost	Fair Value At 10/31/16	Percent of Net Assets	Cumulative Distributions Received	Open Commitments
BPA Israel Ventures, LLC	10/05/00 12/09/05	\$929,799	\$197,099	0.14	\$327,976	\$625,413
Emerging Markets Ventures I, L.P.	01/22/98 01/10/05	2,474,673	150,921	0.11	7,567,734	851,171
Exent Technologies Ltd. Preferred A1 Shares(3)	11/29/15	118,799				
Exent Technologies Ltd. Preferred C Shares(3)	11/29/15					
Exent Technologies Ltd. Warrants A1(3)	11/29/15					
Flash Networks Ltd. Warrants Ordinary(3)	11/29/15					
Flash Networks Ltd. Ordinary Shares(3)	11/29/15	109,226	33,590	0.03		
Flash Networks Ltd. Series C Preferred(3)	11/29/15					
Flash Networks Ltd. Series C-1 Preferred(3)	11/29/15					
Flash Networks Ltd. Series D Preferred(3)	11/29/15					
Flash Networks Ltd. Series E Preferred(3)	11/29/15					
Flash Networks Ltd. Warrants C(3)	11/29/15					
Giza GE Venture Fund III, L.P.	01/31/00 11/23/05	1,717,032	100,073	0.07	885,262	
Neurone Ventures II, L.P.	11/24/00 12/21/10	121,786	294,517	0.21	533,564	
Technology Crossover Ventures IV, L.P.	03/08/00 09/27/10	359,691	2,323		3,045,426	48,000
Telesoft Partners II QP, L.P.	07/14/00 03/01/10	1,112,731	923,496	0.66	1,282,411	
Vidyo, Inc. Trust A (Preferred)(2)	10/24/12	29,796				
Vidyo, Inc. Trust B (Preferred)(2)	10/24/12	14,207				
Vidyo, Inc. Trust B1 (Preferred)(2)	10/24/12	12,092				
Vidyo, Inc. Trust C (Preferred)(2)	10/24/12	6,279				
Vidyo, Inc. Trust C1 (Preferred)(2)	10/24/12	3,796				
Vidyo, Inc. Trust Common(2)	10/24/12	1,648				
Vidyo, Inc. Trust D (Preferred)(2)	10/24/12	2,482				
Total		\$7,014,037	\$1,702,019	1.22	\$13,642,373	\$1,524,584

Amounts listed as are \$0 or round to \$0.

(1)

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Extent Technologies Ltd., Flash Networks Ltd., Neurone Ventures II, L.P., Telesoft Partners II QP, L.P. and Vidyo, Inc. Trust are still considered active investments by the Fund's Adviser. BPA Israel Ventures, LLC, Giza GE Venture Fund III, L.P., Emerging Markets Ventures I, L.P. and Technology Crossover Ventures IV, L.P. are in liquidation.

- (2) Vidyo Inc., Trust was a spinoff from SVE Star Ventures IX. SVE Star Ventures IX reached the end of its term in 2012 and, accordingly, its entire portfolio was sold in a secondary transaction which closed on December 24, 2012. During the secondary transaction, the Fund's pro rata holdings in Vidyo (and its affiliate Delta Vidyo) were excluded from the transaction, placed in trust and considered as a distribution-in-kind.
- (3) Exent Technologies Ltd. and Flash Networks Ltd. were securities received from the dissolution of Concord Fund I Liquidating Main Trust.

The Fund may incur certain costs in connection with the disposition of the above securities.

## Notes to Financial Statements (continued)

October 31, 2016

## 7. Open Market Repurchase Program

The Board authorized, but does not require, Fund management to make open market purchases from time to time in an amount up to 10% of the Fund's outstanding shares, in accordance with Rule 10b-18 under the Securities Exchange Act of 1934, as amended, and other applicable federal securities laws. Such purchases may be made when, in the reasonable judgment of Fund management, such repurchases may enhance shareholder value. The Fund reports repurchase activity on the Fund's website on a monthly basis. For the fiscal year ended October 31, 2016, the Fund repurchased 90,827 shares through this program. During the fiscal year ended October 31, 2015, the Fund repurchased and retired 29,970 shares.

## 8. Portfolio Investment Risks

### a. Risks Associated with Foreign Securities and Currencies:

Investments in securities of foreign issuers carry certain risks not ordinarily associated with investments in securities of U.S. issuers. These risks include future political and economic developments, and the possible imposition of exchange controls or other foreign governmental laws and restrictions. In addition, with respect to certain countries, there is the possibility of expropriation of assets, confiscatory taxation, and political or social instability or diplomatic developments, which could adversely affect investments in those countries.

Certain countries also may impose substantial restrictions on investments in their capital markets by foreign entities, including restrictions on investments in issuers of industries deemed sensitive to relevant national interests. These factors may limit the investment opportunities available and result in a lack of liquidity and high price volatility with respect to securities of issuers from developing countries.

The value of foreign currencies relative to the U.S. Dollar fluctuates in response to market, economic, political, regulatory, geopolitical or other conditions. A decline in the value of a foreign currency versus the U.S. Dollar reduces the value in U.S. Dollars of investments denominated in that foreign currency. This risk may impact the Fund more greatly to the extent the Fund does not hedge its currency risk, or hedging techniques used by the Adviser are unsuccessful.

### b. Risks Associated with Emerging Markets:

The emerging countries' securities markets are substantially smaller, less liquid and more volatile than the major securities markets in the United States. A high proportion of the securities of many companies in emerging countries may be held by a limited number of persons, which may limit the number of securities available for investment by the Fund. The limited liquidity of emerging country securities markets may also affect the Fund's ability to acquire or dispose of securities at the price and time it wishes to do so.

### c. Risks Associated with Restricted Securities:

The Fund, subject to local investment limitations, may invest up to 30% of its assets (at the time of commitment) in illiquid equity securities, including securities of private equity funds (whether in corporate or partnership form) that invest primarily in emerging markets. When investing through another investment fund, the Fund will bear its proportionate share of the expenses incurred by that underlying fund, including management fees. Such securities are expected to be illiquid and may involve a high degree of business and financial risk and may result in substantial losses. Because of the current absence of any liquid trading market for these investments, the private equity funds may take longer to liquidate than would be the case for publicly traded securities. Although these securities may be resold in privately negotiated transactions, the prices realized on such sales could be

substantially less than those originally paid by the Fund or the current carrying values and these differences could be material. Further, companies whose securities are not publicly traded may not be subject to the disclosures and other investor protection requirements applicable to companies whose securities are publicly traded.

**d. Risks Associated with Focus on Emerging Markets Smaller Companies:**

The Fund focuses its investments in the equity securities of emerging markets smaller companies issuers. Securities of companies in emerging market countries are generally more volatile, harder to price and less liquid than U.S. securities, due to less stable governments, more volatile currencies and less established markets. Additionally, securities of smaller companies are usually less stable in price and less liquid than those of larger, more established companies. These risks will have a greater impact on the Fund's net asset value and will cause its shares to fluctuate more than if the Fund did not focus its investments in these types of securities.

**e. Sector Risk:**

To the extent that the Fund has a significant portion of its assets invested in securities of companies conducting business in a broadly related group of industries within an economic sector, the Fund may be more vulnerable to unfavorable developments in that economic sector than funds that invest more broadly.

**9. Contingencies**

In the normal course of business, the Fund may provide general indemnifications pursuant to certain contracts and organizational documents. The Fund's maximum exposure under these arrangements is dependent on future claims that may be made against the Fund, and therefore, cannot be estimated; however, based on experience, the risk of loss from such claims is considered remote.

**20** Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Notes to Financial Statements (concluded)

October 31, 2016

### 10. Tax Information

The U.S. federal income tax basis of the Fund's investments and the net unrealized depreciation as of October 31, 2016 were as follows:

Tax Basis of Investments	Appreciation	Depreciation	Net Unrealized Depreciation
\$152,185,418	\$23,008,489	\$(34,891,981)	\$(11,883,492)

Income and capital gains distributions are determined in accordance with federal income tax regulations, which may differ from GAAP.

The tax character of distributions paid during the fiscal years ended October 31, 2016 and October 31, 2015 was as follows:

	October 31, 2016	October 31, 2015
Distributions paid from:		
Ordinary Income	\$970,048	\$2,029,014
Net long-term capital gains		
<b>Total tax character of distributions</b>	<b>\$970,048</b>	<b>\$2,029,014</b>

As of October 31, 2016, the components of accumulated earnings on a tax basis were as follows:

Undistributed ordinary income net	\$1,226,168
Total undistributed earnings	\$1,226,168
Capital loss carryforward	(13,155,022)*
Other temporary differences	(2)
Unrealized appreciation/(depreciation)	(11,889,098)**
<b>Total accumulated earnings/(losses) net</b>	<b>\$(23,817,954)</b>

- \* During the year ended October 31, 2016 the Fund generated a capital loss carryforward of \$13,155,022, which consisted of \$2,380,552 of short-term post RIC-Mod losses and \$10,774,470 long-term post RIC-Mod losses with no expiration date. Under the Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. Capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.
  
- \*\* The tax basis of components of distributable earnings differs from the amounts reflected in the Statement of Assets and Liabilities by temporary book/tax differences. These differences are primarily due to timing differences due to wash sales, partnerships and investments in passive foreign investment companies.

GAAP requires that certain components of net assets be adjusted to reflect permanent differences between financial and tax reporting. Accordingly, the table below details the necessary reclassifications, which are a result of permanent differences primarily attributable to partnerships, investments in passive foreign investment companies and foreign currency gains and losses. These reclassifications have no effect on net assets or net asset values per share.

	<b>Accumulated Net Investment Income</b>	<b>Accumulated Net Realized Loss</b>
	\$(101,046)	\$101,046

#### 11. Subsequent Events

Management has evaluated the need for disclosures and/or adjustments resulting from subsequent events through the date the financial statements were issued. Based on this evaluation, no disclosures and/or adjustments were required to the financial statements as of October 31, 2016.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. 21

## Report of Independent Registered Public Accounting Firm

To the Board of Directors and Shareholders of the  
Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

In our opinion, the accompanying statement of assets and liabilities, including the portfolio of investments in securities, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. (the Fund ) as of October 31, 2016, the results of its operations for the year then ended, the changes in its net assets for each of the two years in the period then ended and the financial highlights for each of the five years in the period then ended, in conformity with accounting principles generally accepted in the United States of America. These financial statements and financial highlights (hereafter referred to as financial statements ) are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities as of October 31, 2016 by correspondence with the custodian, broker, and venture capital issuers, provide a reasonable basis for our opinion.

Philadelphia, Pennsylvania  
December 27, 2016

22 Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc.

## Federal Tax Information: Dividends and Distributions (unaudited)

The following information is provided with respect to the distributions paid by the Fund during the fiscal year ended October 31, 2016:

<b>Payable Date</b>	<b>Total Cash Distribution</b>	<b>Long-Term Capital Gain</b>	<b>Tax Return of Capital</b>	<b>Net Ordinary Dividend</b>	<b>Foreign Taxes Paid<sup>(1)</sup></b>	<b>Gross Ordinary Dividend</b>	<b>Qualified Dividends<sup>(2)</sup></b>	<b>Foreign Source Income</b>
7/28/16	0.100500	0.000000	0.000000	0.100500	0.025734	0.126234	0.100500	0.100402

- (1) The foreign taxes paid represent taxes incurred by the Fund on interest received from foreign sources. Foreign taxes paid may be included in taxable income with an offsetting deduction from gross income or may be taken as a credit for taxes paid to foreign governments. You should consult your tax advisor regarding the appropriate treatment of foreign taxes paid.
- (2) The Fund hereby designates the amount indicated above or the maximum amount allowable by law.



## Management of the Fund (unaudited)

The names of the Directors and Officers of the Fund, their addresses, year of birth, and principal occupations during the past five years are provided in the tables below. Directors that are deemed interested persons (as that term is defined in Section 2(a)(19) of the Investment Company Act of 1940, as amended) of the Fund or the Adviser are included in the table below under the heading Interested Directors. Directors who are not interested persons, as described above, are referred to in the table below under the heading Independent Directors.

### Board of Directors Information

Name, Address and Year of Birth	Position(s) Held With the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Funds in Fund Complex* Overseen by Director	Other Directorships Held by Director
<b>Independent Directors</b>					
<b>Enrique R. Arzac</b> c/o Aberdeen Asset Management Inc. Attn: US Legal 1735 Market Street, 32nd Floor Philadelphia, PA 19103  Year of Birth: 1941	Chairman of the Board of Directors, Nominating Committee Chairman and Audit and Valuation Committee Member	Since 1996; Chairman since 2005; current term ends at the 2019 annual meeting	Mr. Arzac is currently a Professor Emeritus of Finance and Economics of Columbia University since 2015. Previously, he was a Professor of Finance and Economics at the Graduate School of Business at Columbia University (education) from 1971 to 2015.	5	Director of Adams Diversified Equity Fund, Inc. since 1983; Director of Adams Natural Resources Fund, Inc. since 1987; Director of Mirae Asset Discovery Funds (7) since 2010; Director of Credit Suisse Funds (9) since 1990; Director of Credit Suisse High Yield Bond Fund, Inc. since 2001; Director of Credit Suisse Asset Management Income Fund, Inc. since 1990.
<b>James Cattano</b> 1366 Wood Duck Trail Naples, FL 34108  Year of Birth: 1943	Director, Audit and Valuation Committee Chairman and Nominating and Cost Review Committee Member	Since 1993; current term ends at the 2017 annual meeting	Mr. Cattano has been the President of Costal Trade Corporation (international commodity trade) since October 2011. Previously, he was the President of Primary Resources Inc. (agricultural and raw materials) from 1996 to 2011.	5	Director of Credit Suisse Asset Management Income Fund, Inc. since 2006 and Director of Credit Suisse High Yield Bond Fund since 2006.
<b>Steven Rappaport</b> c/o Aberdeen Asset Management Inc. Attn: US Legal	Director, Audit and Valuation, Nominating, and Cost Review Committee Member	Since 2006; current term ends at the 2018 annual meeting	Mr. Rappaport has been a Partner of Lehigh Court, LLC (private investment firm) and RZ Capital LLC (private investment firm)	24	Director of iCAD, Inc. since 2006; Director of Credit Suisse Funds (9) since 1999; Director of Credit Suisse High Yield

1735 Market Street,  
32nd Floor  
Philadelphia, PA 19103

since 2004.

Bond Fund, Inc. since  
2005; Director of Credit  
Suisse Asset  
Management Income  
Fund, Inc. since 2005.  
Director of Backstage  
LLC.

Year of Birth: 1948

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## Management of the Fund (unaudited) (continued)

Name, Address and Age	Position(s) Held With the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years	Number of Funds in Fund Complex* Overseen by Director	Other Directorships Held by Director
<b>Alexander Zagoreos</b> 210 Jermain Hill Lane Eagle Bridge, NY 12057  Year of Birth: 1937	Director	Since 2011; current term ends at the 2018 annual meeting	Mr. Zagoreos has been Senior Advisor to Lazard Asset Management (asset management) since 2007. Previously, he was a Partner and Managing Director of Lazard Asset Management (asset management) from 1977 to 2006.	1	Director, Alpha Andromeda Fund since 2008; Chairman, Utilico Emerging Markets Trust since 2006; Director of The Taiwan Opportunities Fund since 2006.

\* Aberdeen Asia-Pacific Income Fund, Inc., Aberdeen Global Income Fund, Inc., Aberdeen Australia Equity Fund, Inc., Aberdeen Chile Fund, Inc., Aberdeen Israel Fund, Inc., Aberdeen Indonesia Fund, Inc., Aberdeen Latin America Equity Fund, Inc., Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc., Aberdeen Singapore Fund, Inc., Aberdeen Japan Equity Fund, Inc., The Asia-Tigers Fund, Inc., The India Fund, Inc., Aberdeen Greater China Fund Inc., the Aberdeen Investment Funds and Aberdeen Funds have a common investment manager and/or investment adviser, or an investment adviser that is affiliated with the Adviser, and may thus be deemed to be part of the same Fund Complex as the Fund.

### Information Regarding Officers\* who are not Directors

Name, Address and Age	Position(s) Held With the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years
<b>Officers</b>			
<b>Christian Pittard**</b> c/o Aberdeen Asset Management Inc. Attn: US Legal 1735 Market Street, 32nd Floor Philadelphia, PA 19103  Year of Birth: 1973	President	Since 2009	Currently, Group Head of Product Opportunities of Aberdeen Asset Investment Services Limited. Previously, Mr. Pittard was Director and Vice President (2006-2008), Chief Executive Officer 2005 to 2006 and employee (since 2005) of Aberdeen Asset Management Inc.; Member of Executive Management Committee of Aberdeen Asset Management PLC (since August 2005).
<b>Jeffrey Cotton**</b> c/o Aberdeen Asset Management Inc. Attn: US Legal 1735 Market Street, 32nd Floor	Chief Compliance Officer, Vice President Compliance	Since 2011	Currently, Director, Vice President and Head of Compliance Americas for Aberdeen Asset Management Inc. Mr. Cotton joined Aberdeen in 2010.

Philadelphia, PA 19103

Year of Birth: 1977

**Andrea Melia\*\***

c/o Aberdeen Asset Management Inc.  
 Attn: US Legal  
 1735 Market Street, 32nd Floor  
 Philadelphia, PA 19103

Treasurer, Chief Financial Officer

Since 2009

Currently, Head of Fund Administration US for and Vice President of Aberdeen Asset Management Inc. Ms. Melia joined Aberdeen Asset Management Inc. in September 2009.

Year of Birth: 1969

**Megan Kennedy\*\***

c/o Aberdeen Asset Management Inc.  
 Attn: US Legal  
 1735 Market Street, 32nd Floor  
 Philadelphia, PA 19103

Secretary and Vice President

Since 2009

Currently, Head of Product Management for Aberdeen Asset Management Inc. (since 2009). Ms. Kennedy joined Aberdeen Asset Management Inc. in 2005.

Year of Birth: 1974

## Management of the Fund (unaudited) (continued)

Name, Address and Age	Position(s) Held With the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years
<p><b>Alan Goodson**</b>  c/o Aberdeen Asset Management Inc.  Attn: US Legal  1735 Market Street, 32nd Floor  Philadelphia, PA 19103</p>	Vice President	Since 2009	<p>Currently, Head of Product US, overseeing Product Management, Product Development and Investor Services for Aberdeen Asset Management Inc. s registered and unregistered investment companies in the United States and Canada. Mr. Goodson is Director and Vice President of Aberdeen Asset Management Inc. and joined Aberdeen in 2000.</p>
Year of Birth: 1974			
<p><b>Bev Hendry**</b>  c/o Aberdeen Asset Management Inc.  Attn: US Legal  1735 Market Street, 32nd Floor  Philadelphia, PA 19103</p>	Vice President	Since 2014	<p>Currently Co-Head of Americas of AAMI. Mr. Hendry first Aberdeen in 1987 and helped establish Aberdeen s business in the Americas in Fort Lauderdale. Mr Hendry left Aberdeen in 2008 when the company moved to its headquarters in Philadelphia. Mr Hendry re-joined Aberdeen from Hansberger Global Investors in Fort Lauderdale where he worked as Chief Operating Officer for 6 years.</p>
Year of Birth: 1953			
<p><b>Joanne Irvine**</b>  c/o Aberdeen Asset Management Inc.  Attn: US Legal  1735 Market Street, 32nd Floor  Philadelphia, PA 19103</p>	Vice President	Since 2009	<p>Currently, Head of Emerging Markets Ex. Asia on the global emerging markets equities team for the Advsier in London, England since 1997. Ms. Irvine joined Aberdeen Asset Management in 1996 in a group development role.</p>
Year of Birth: 1968			
<p><b>Devan Kaloo**</b>  c/o Aberdeen Asset Management Inc.  Attn: US Legal  1735 Market Street, 32nd Floor  Philadelphia, PA 19103</p>	Vice President	Since 2009	<p>Currently, Head of Equities for Aberdeen Asset Management PLC (2016). Previously, he was the Head of Global Emerging Markets for Aberdeen Asset Management from 2005 to 2016. Mr. Kaloo joined Aberdeen in 2000 on the Asian portfolio team before becoming responsible for the Asian ex Japan region as well as regional portfolios within emerging market mandates and technology stocks.</p>
Year of Birth: 1972			
<p><b>Jennifer Nichols**</b>  c/o Aberdeen Asset Management Inc.  Attn: US Legal  1735 Market Street, 32nd Floor  Philadelphia, PA 19103</p>	Vice President	Since 2009	<p>Currently, Global Head of Legal for Aberdeen Asset Management PLC. Director and Vice President for Aberdeen Asset Management Inc. since 2006.</p>

Year of Birth: 1978

**Nick Robinson\*\***

Vice President

Since 2011

Currently, a Senior Investment Manager for Aberdeen Asset Managers Limited since 2016. Previously, he was a Director and Head of Brazilian Equities, of Aberdeen Asset Management's operations in São Paulo, Brazil from 2009 to 2016.

c/o Aberdeen Asset Management Inc.  
Attn: US Legal  
1735 Market Street, 32nd Floor  
Philadelphia, PA 19103

Year of Birth: 1978

**Lucia Sitar\*\***

Vice President

Since 2009

Currently, Vice President and Managing U.S. Counsel for Aberdeen Asset Management Inc. since 2013. Ms. Sitar joined Aberdeen Asset Management Inc. in 2007 as U.S. Counsel.

c/o Aberdeen Asset Management Inc.  
Attn: US Legal  
1735 Market Street, 32nd Floor  
Philadelphia, PA 19103

Year of Birth: 1971

## Management of the Fund (unaudited) (concluded)

Name, Address and Age	Position(s) Held With the Fund	Term of Office and Length of Time Served	Principal Occupation(s) During Past Five Years
<p><b>Hugh Young***</b>                      c/o Aberdeen Asset Management Inc.                      Attn: US Legal                      1735 Market Street, 32nd Floor                      Philadelphia, PA 19103</p>	Vice President	Since 2009	Currently a member of the Executive Management Committee of Aberdeen Asset Management PLC and Managing Director of Aberdeen Asset Management Asia Limited ( AAMAL ) since 1991. Mr. Young is a Director of Aberdeen Asset Management PLC since 2011.
Year of Birth: 1958			
<p><b>Sharon Ferrari**</b>                      c/o Aberdeen Asset Management Inc.                      Attn: US Legal                      1735 Market Street, 32nd Floor                      Philadelphia, PA 19103</p>	Assistant Treasurer	Since 2011	Currently, Senior Fund Administration Manager for Aberdeen Asset Management Inc. since 2013. Ms. Ferrari joined Aberdeen Asset Management Inc. as a Senior Fund Administrator in 2008.
Year of Birth: 1977			
<p><b>Heather Hasson**</b>                      c/o Aberdeen Asset Management Inc.                      Attn: US Legal                      1735 Market Street, 32nd Floor                      Philadelphia, PA 19103</p>	Assistant Secretary	Since 2012	Currently, Senior Product Manager for Aberdeen Asset Management Inc. since 2009. Ms. Hasson joined Aberdeen Asset Management Inc. as a Fund Administrator in 2006.
Year of Birth: 1982			

\* Officers hold their positions with the Fund until a successor has been duly elected and qualifies. Officers are generally elected annually at the meeting of the Board of Directors next following the annual meeting of shareholders. The officers were last elected on March 8, 2016.

\*\* Messrs. Pittard, Cotton, Goodson, Hendry, Kaloo, and Robinson and Meses. Nichols, Irvine, Melia, Kennedy, Sitar, Ferrari, and Hasson hold officer position(s) in one or more of the following funds: As of October 31, 2016, each of Aberdeen Asia-Pacific Income Fund, Inc., Aberdeen Global Income Fund, Inc., Aberdeen Australia Equity Fund, Inc., Aberdeen Chile Fund, Inc., Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc., Aberdeen Israel Fund, Inc., Aberdeen Indonesia Fund, Inc., Aberdeen Latin America Equity Fund, Inc., Aberdeen Singapore Fund Inc., Aberdeen Japan Equity Fund, Inc., The India Fund Inc., The Asia-Tigers Fund Inc., Aberdeen Greater China Fund, Inc., the Aberdeen Investment Funds (which consists of 4 portfolios) and the Aberdeen Funds (which consists of 19 portfolios), each of which may also be deemed to be a part of the same Fund Complex as the Fund.

\*\*\* Mr. Young serves as an Interested Director on the Aberdeen Australia Equity Fund, Inc. and The India Fund, Inc.; which both have a common investment manager and/or Adviser with the Fund, or an investment adviser that is affiliated with the investment manager and Investment Adviser of the Fund, and may thus be deemed to be part of the same Fund Complex as the Fund.

Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. 27



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## Corporate Information

### Directors

Enrique R. Arzac, *Chairman*

James J. Cattano

Steven N. Rappaport

Alexander Zagoreos

### Officers

Christian Pittard, *President*

Jeffrey Cotton, *Vice President and Chief Compliance Officer*

Andrea Melia, *Treasurer and Chief Financial Officer*

Megan Kennedy, *Vice President and Secretary*

Alan Goodson, *Vice President*

Bev Hendry, *Vice President*

Joanne Irvine, *Vice President*

Devan Kaloo, *Vice President*

Jennifer Nichols, *Vice President*

Nick Robinson, *Vice President*

Lucia Sitar, *Vice President*

Hugh Young, *Vice President*

Sharon Ferrari, *Assistant Treasurer*

Heather Hasson, *Assistant Secretary*

### Investment Adviser

Aberdeen Asset Managers Limited  
Bow Bells House  
1 Bread Street

### Custodian

State Street Bank and Trust Company  
1 Heritage Drive, 3rd Floor  
North Quincy, MA 02171

### Shareholder Servicing Agent

Computershare Trust Company, N.A.  
P.O. Box 30170  
College Station, TX 77842-3170

### Independent Registered Public Accounting Firm

PricewaterhouseCoopers LLP  
2001 Market Street  
Philadelphia, PA 19103

### Legal Counsel

Willkie Farr & Gallagher LLP  
787 Seventh Ave  
New York, NY 10019

### Investor Relations

Aberdeen Asset Management Inc.  
1735 Market Street, 32nd Floor  
Philadelphia, PA 19103

1-800-522-5465  
InvestorRelations@aberdeen-asset.com

London, United Kingdom  
EC4M 9HH

Administrator

Aberdeen Asset Management Inc.  
1735 Market Street, 32nd Floor  
Philadelphia, PA 19103

**Aberdeen Asset Managers Limited**

Notice is hereby given in accordance with Section 23(c) of the Investment Company Act of 1940, as amended, that the Fund may purchase, from time to time, shares of its common stock in the open market.

Shares of Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. are traded on the NYSE MKT Equities Exchange under the symbol **ABE**. Information about the Fund's net asset value and market price is available at [www.aberdeenabe.com](http://www.aberdeenabe.com).

This report, including the financial information herein, is transmitted to the shareholders of Aberdeen Emerging Markets Smaller Company Opportunities Fund, Inc. for their general information only. It does not have regard to the specific investment objectives, financial situation and the particular needs of any specific person. Past performance is no guarantee of future returns.





Closed-end funds are traded on the secondary market through one of the stock exchanges. The Fund's investment return and principal value will fluctuate so that an investor's shares may be worth more or less than the original cost. Shares of closed-end funds may trade above (a premium) or below (a discount) the net asset value (NAV) of the fund's portfolio. There is no assurance that the Fund will achieve its investment objective. Past performance does not guarantee future results. Foreign securities are more volatile, harder to price and less liquid than U.S. securities. They are subject to different accounting and regulatory standards, and political and economic risks. These risks may be enhanced in emerging market countries. Concentrating investments in the Asia-Pacific region subjects the fund to more volatility and greater risk of loss than geographically diverse funds.

Aberdeen Asset Management (AAM) is the marketing name in the U.S. for the following affiliated, registered investment advisers: Aberdeen Asset Management Inc., Aberdeen Asset Managers Ltd, Aberdeen Asset Management Ltd and Aberdeen Asset Management Asia Ltd, each of which is wholly owned by Aberdeen Asset Management PLC. Aberdeen is a U.S. registered service trademark of Aberdeen Asset Management PLC.

ABE-Annual

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**Item 2 - Code of Ethics.**

(a) As of October 31, 2016, the Registrant had adopted a Code of Ethics that applies to the Registrant's principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions, regardless of whether these individuals are employed by the Registrant or a third party (the Code of Ethics).

(c) There have been no amendments, during the period covered by this report, to a provision of the Code of Ethics.

(d) During the period covered by this report, there were no waivers to the provisions of the Code of Ethics.

(f) A copy of the Code of Ethics has been filed as an exhibit to this Form N-CSR.

**Item 3 - Audit Committee Financial Expert.**

The Registrant's Board of Directors has determined that Enrique R. Arzac and Steven N. Rappaport, both members of the Registrant's Audit and Valuation Committee, possess the attributes, and has acquired such attributes through means, identified in instruction 2 of Item 3 to Form N-CSR to both qualify as an audit committee financial expert, and has designated Mr. Arzac and Mr. Rappaport as the Audit and Valuation Committee's financial experts. Mr. Arzac and Mr. Rappaport are both independent Directors, as such term is defined in paragraph (a)(2) of Item 3 to Form N-CSR.

**Item 4 - Principal Accountant Fees and Services.**

(a) (d). Below is a table reflecting the fee information requested in Items 4(a) through (d):

Fiscal Year Ended	(a) Audit Fees	(b) Audit Related Fees	(c) (1) Tax Fees	(d) All Other Fees
October 31, 2016	\$ 46,000	\$ 0	\$ 11,804	\$ 0
October 31, 2015	\$ 45,000	\$ 0	\$ 11,460	\$ 0

(1) Services include tax services in connection with the Registrant's excise tax calculations and review of the registrant's applicable tax returns.

(e) Below are the Registrant's Pre-Approval Policies and Procedures

(1) The Registrant's Audit and Valuation Committee (the Committee) has adopted a Charter that provides that the Committee shall annually select, retain or terminate the Fund's independent auditor and, in connection therewith, to evaluate the terms of the engagement (including compensation of the independent auditor) and the qualifications and independence of the independent auditor, including whether the independent auditor

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provides any consulting, auditing or tax services to the Registrant's investment adviser or any sub-adviser, and to receive the independent auditor's specific representations as to their independence, delineating all relationships between the independent auditor and the Registrant, consistent with the PCAOB Rule 3526 or any other applicable auditing standard. PCAOB Rule 3526 requires that, at least annually, the auditor: (1) disclose to the Committee in writing all relationships between the auditor and its related entities and the Fund and its related entities that in the auditor's professional judgment may reasonably be thought to bear on independence; (2) confirm in the letter that, in its professional judgment, it is independent of the Fund within the meaning of the Securities Acts administered by the SEC; and (3) discuss the auditor's independence with the audit committee. The Committee is responsible for actively engaging in a dialogue with the independent auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of the independent auditor and for taking, or recommending that the full Board take, appropriate action to oversee the independence of the independent auditor. The Committee Charter also provides that the Committee shall review in advance, and consider approval of, any and all proposals by Management or the Registrant's investment adviser that the Registrant, the investment adviser or their affiliated persons, employ the independent auditor to render permissible non-audit services to the Registrant and to consider whether such services are consistent with the independent auditor's independence. The Committee may delegate to one or more of its members ( Delegates ) authority to pre-approve permissible non-audit services to be provided to the Fund. Any pre-approval determination of a Delegate shall be presented to the full Committee at its next meeting. The Committee shall communicate any pre-approval made by it or a Delegate to the Adviser, who will ensure that the appropriate disclosure is made in the Fund's periodic reports required by Section 30 of the Investment Company Act of 1940, as amended, and other documents as required under the federal securities laws.

(2) None of the services described in each of paragraphs (b) through (d) of this Item involved a waiver of the pre-approval requirement by the Audit Committee pursuant to Rule 2-01 (c)(7)(i)(C) of Regulation S-X.

(f) Not Applicable.

(g) Non-Audit Fees

The aggregate fees billed by PricewaterhouseCoopers ( PwC ) for non-audit services rendered to the Registrant and its investment adviser, Aberdeen Asset Managers Limited, and any entity controlling, controlled by, or under common control with the investment adviser that provided ongoing services to the Registrant ( Covered Service Providers ) for the fiscal year ended October 31, 2016 was \$41,304. The aggregate fees billed by PwC for non-audit services rendered to the Registrant, Aberdeen Asset Managers Limited and any Covered Service Providers for the fiscal year ended October 31, 2015 was \$12,960.

(h) The Registrant's Audit and Valuation Committee of the Board of Directors has considered whether the provision of non-audit services that were rendered to the Registrant's investment adviser (not including any sub-adviser whose role is primarily portfolio management and is subcontracted with or overseen by another investment adviser), and any entity controlling, controlled by, or under common control with the investment adviser that provides ongoing services to the Registrant that were not pre-approved pursuant to paragraph (c)(7)(ii) of Rule 2-01 of Regulation S-X is compatible with maintaining the principal accountant's independence and has concluded that it is.



**Item 5 - Audit Committee of Listed Registrants.**

(a) The Registrant has a separately-designated standing Audit and Valuation Committee established in accordance with Section 3(a)(58)(A) of the Exchange Act (15 U.S.C. 78c(a)(58)(A)).

For the fiscal year ended October 31, 2016, the Audit and Valuation Committee members were:

Enrique R. Arzac

James Cattano

Steven N. Rappaport

(b) Not applicable

**Item 6 - Schedule of Investments.**

(a) Included as part of the Report to Shareholders filed under Item 1 of this Form N-CSR.

(b) Not applicable.

**Item 7 - Disclosure of Proxy Voting Policies and Procedures for Closed-End Management Investment Companies.**

Pursuant to the Registrant's Proxy Voting Policy and Procedures, the Registrant has delegated responsibility for its proxy voting to its Investment Adviser, provided that the Registrant's Board of Directors has the opportunity to periodically review the Investment Adviser's proxy voting policies and material amendments thereto.

The proxy voting policies of the Registrant are included herewith as Exhibit (c) and policies of the Investment Adviser are included as Exhibit (d).

**Item 8 - Portfolio Managers of Closed-End Management Investment Companies.**

(a)

(1) The information in the table below is as of January 9, 2017.

Individual & Position	Services Rendered	Past Business Experience
Devan Kaloo Head of Equities	Responsible for global emerging market equity portfolio management	Currently Head of Equities, responsible for the London and Sao Paulo based Global Emerging Markets Equity team, which manages EMEA and Latin America equities, and has oversight of Global Emerging Markets input from the Asia team based in Singapore, with whom he works closely. Prior to that he joined Aberdeen's Singapore based Asian equities team in 2000.
Joanne Irvine Head of Emerging Markets ex Asia	Responsible for global emerging market equity portfolio management	Currently Head of Emerging Markets (ex-Asia) on the Global Emerging Markets Equity team in London. She joined Aberdeen in 1996 in a group development role, and moved to the Global Emerging Markets Equity team in 1997.
Osamu Yamagata Investment Manager	Responsible for global emerging market equity	Currently Investment Manager on the Global Emerging Markets Equity

Stephen Parr Senior Investment Manager	portfolio management Responsible for global emerging market equity portfolio management	Team. Joined Aberdeen in 2007. Currently a Senior Investment Manager on the Global Emerging Markets Equity team. He joined Aberdeen in July 2009 following the acquisition of certain asset management businesses from Credit Suisse Asset Management. Previously he worked for Energis Communications as Head of Strategy.
Mark Gordon-James Senior Investment Manager	Responsible for global emerging market equity portfolio management	Currently a Senior Investment Manager on the Global Emerging Markets Equity team. He joined Aberdeen in 2004 from Merrill Lynch Investment Managers where he worked with the emerging markets team.

(a)(2) The information in the table below is as of October 31, 2016.

**Number of  
Accounts**