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Aberdeen Asian Smaller Companies Investment Trust PLC

Half Yearly Financial Report
31 January 2011



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Highlights and Financial Calendar

Financial Highlights

	31 January 2011	31 July 2010	% change
Total assets (£'000) ^A	226,648	198,678	+14.1
Net asset value per Ordinary share ^B	632.6p	562.6p	+12.4
Share price (mid)	594.5p	495.0p	+20.1
Discount to net asset value	6.0%	12.0%	

^A Excludes bank loans of £5,494,000 (31 July 2010 – £5,619,000).

^B Due to all outstanding warrants being exercised in the latest period the basic net asset value disclosed at 31 July 2010 is the diluted net asset value. This has been done to ensure the true uplift in the period is reflected.

Performance (total return^C)

	Six months ended 31 January 2011	Year ended 31 July 2010
Net asset value per Ordinary share ^D	+14.2%	+60.2%
Share price	+22.1%	+66.9%
MSCI AC Asia Pacific ex Japan Index (currency adjusted)	+14.3%	+22.9%
MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted)	+17.5%	+30.2%

^C Total return represents the capital return plus dividends reinvested.

^D Due to all outstanding warrants being exercised in the latest period the basic net asset value disclosed at 31 July 2010 is the diluted net asset value. This has been done to ensure the true uplift in the period is reflected.

Financial Calendar

28 March 2011	Announcement of unaudited half yearly results for the six months ended 31 January 2011
April 2011	Half Yearly Financial Report posted to shareholders
October 2011	Announcement of results for the year ending 31 July 2011
October 2011	Annual Report posted to shareholders
November 2011	Annual General Meeting

Interim Board Report

Background

I am pleased to report that your Company's net asset value total return was 14.2% and the share price total return was 22.1% in the six months to 31 January 2011. The NAV return slightly underperformed both the MSCI Asia Pacific ex Japan Index's return of 14.3% and the MSCI Asia Pacific ex Japan Small Cap Index's return of 17.5%. This is against a background of continued economic expansion in Asia which has been supported by good macroeconomic data and better than expected corporate earnings.

Overview

The steady progress of smaller companies in the region, buttressed by strong balance sheets and solid profitability, underlines Asia's rising economic significance, drawing a sharp contrast with the outlook for the West.

Asian economic growth continues apace: China posted full-year GDP growth of 10.3%, overtaking Japan as the world's second largest economy. Singapore's economy continued to expand at a fast pace as well; the city-state expanded at a record pace of 14.5% in 2010, one of the fastest growth rates in the world. But economic recovery has resulted in inflationary pressures building: prices for commodities and food, in particular, have risen sharply.

In turn, policy tightening became a priority for several countries in the region, owing to fears of asset bubbles amid liquidity inflows. Hong Kong and Singapore took fresh steps to rein in property speculation, while Thailand reintroduced a tax on foreign holdings of local bonds. Most central banks hiked interest rates, while those in China and Indonesia lifted lenders' reserve requirements more than once. In a sign of increasing exchange-rate flexibility, Beijing set the yuan's reference rate at a new high against the US dollar and indicated it will allow foreign lenders to invest in the domestic interbank bond market, beginning the process of currency internationalisation. With China's rapidly increasing global influence, its policy changes are taking on greater and greater significance for investors both within and outside the region.

Share Capital and Gearing

During the period, the Company's Ordinary shares continued to trade at a discount to net asset value although this narrowed from 12.0% to 6.0%.

30 November 2010 was the Final Subscription Date for the Warrants that were originally issued at the time of the Company's flotation in October 1995 and in December 2010, 3,823,595 new Ordinary shares were issued at a cost of 100p per share. Over their life, the Warrants had

appreciated almost 15 times in value from 32p to 505p on the Final Subscription Date.

The Company remained geared throughout the period with net gearing of 2.5% at the period end excluding cash, with £5.5m drawn down in US dollars under the £10m multi-currency facility with Barclays. The Board monitors the Company's gearing on a regular basis under advice from the Manager.

Portfolio

Your Company's portfolio performed well during this period. As we have mentioned on many previous occasions, we make reference to indices (both smaller and larger companies) but any direct comparison to our portfolio is difficult given our investment approach based on fundamental research and long-term commitment to well managed businesses with good prospects and strong balance sheets.

Investments that performed very well during the period included Multi Bintang in Indonesia, where the share price rose more than 50% in sterling terms; London-listed MP Evans, the prospects for whose Indonesian plantations were boosted by healthy palm oil prices; and cash-and-carry retailer Siam Makro which continued to see expansion despite the underlying domestic political uncertainty in Thailand.

On the reverse side, investments that disappointed included Thailand's Regional Container Lines, whose earnings were hurt by ship oversupply and weak pricing. Nevertheless, your Manager remains comfortable with this company, given its transparent management and a positive outlook for long-term container traffic demand. Indian lender Jammu & Kashmir Bank's share price suffered after its chairman fell out with government backers and Singapore residential developer Bukit Sembawang Estates was affected by the government's property-cooling measures. The Manager continues to like both companies longer term.

Two new holdings were introduced in the period. The first was Tasek, one of Malaysia's big four cement operators. It is well positioned to benefit from infrastructure spending in the country. It has a simple business model, relatively stable operating costs and strong long-term demand for housing and infrastructure. The second was Convenience Retail Asia, a part of the Li & Fung group, which operates 7-11 stores in China.

The only other significant change was the takeover of IDS by its parent Li & Fung, the world's leader in sourcing goods from China for international markets, in return for

shares. The resultant holding in Li & Fung was subsequently sold after the period end.

Outlook

Economic growth in the region looks well underpinned in 2011 albeit the rate of growth will be slower than that of 2010 when economies rebounded. China's shrinking trade surplus is a sign that the mainland is transitioning from an export-oriented to a domestic demand-oriented economy. This should be seen as a positive development for other Asian emerging economies, which to varying degrees are beneficiaries of Chinese domestic demand growth. Corporate sentiment is upbeat, reflecting the strength not only of their own balance sheets but those of Asian consumers. With corporate profits forecast to rise by around 10% in 2011 and valuations reasonable at around 14 times prospective earnings, the medium-term outlook for our portfolio is positive.

One caveat remains and that is a macroeconomic one, not stock specific. As inflationary pressures intensify, central banks are likely to be forced to tighten further which could weigh on investor sentiment and pare market gains in the short-term. Indeed over recent weeks we have seen stockmarkets retreat, aided by uncertainty in the Arab world and the natural disaster in Japan. We view this more philosophically and in a broader context as a healthy pullback after a long period of strong performance. The Board and I maintain our confidence in Asia's long-term macroeconomic prospects as well as in your Manager's intensive research-driven process to capitalise on opportunities within the small and mid-cap investment universe.

Principal Risks and Uncertainties

Investment in Far East equities or those of companies that derive significant revenue or profit from the Far East involves a greater degree of risk than that usually associated with investment in the securities in major securities markets. The securities that the Company owns may be considered speculative because of this higher degree of risk. Further details of the risks attaching to the Company's shares are provided in note 19 contained in the Annual Report for the year ended 31 July 2010.

The principal risks and uncertainties have not changed in the period from 31 July 2010 to 28 March 2011. These risks include:

Ordinary Shares

The market price and the realisable value of the Ordinary shares, as well as being affected by their underlying net asset value, also take into account supply and demand, market conditions and general investor sentiment. As

such, the market value and the realisable value of the Ordinary shares may fluctuate and vary considerably from their net asset value and investors may not be able to realise the full value of their original investment.

Dividends

The Company will only pay dividends on the Ordinary shares to the extent that it has profits available for that purpose. The ability of the Company to pay any dividends in respect of the Ordinary shares will depend primarily on the level of income received from its investments. Accordingly, the amount of the dividends paid to shareholders may fluctuate.

Borrowings

Whilst the use of borrowings should enhance the total return on the Ordinary shares where the return on the Company's underlying assets is rising and exceeds the cost of borrowing, it will have the opposite effect where the underlying return is less than the cost of borrowing, further reducing the total return on the Ordinary shares. The Company currently utilises gearing in the form of bank borrowings.

Market Risks

The Company's investments are subject to normal market fluctuations and the risks inherent in the purchase, holding or selling of securities, and there can be no assurance that appreciation in the value of those investments will occur. Investment in emerging securities markets in the Asia Pacific region involves a greater degree of risk than that usually associated with investment in more developed securities markets including the risk of social, economic and political instability which may have an adverse effect on economic reforms or restrict investment opportunities.

Foreign Exchange Risks

The Company accounts for its activities and reports its results in sterling while investments are made and realised in other currencies. It is not the Company's present intention to engage in currency hedging, although it reserves the right to do so. Accordingly, the movement of exchange rates between sterling and the other currencies in which the Company's investments are denominated or its borrowings are drawn down may have a material effect, unfavourable as well as favourable, on the returns otherwise experienced on the investments made by the Company.

Taxation and Exchange Controls

Any change in the Company's tax status or in taxation legislation (including the tax treatment of dividends or other investment income received by the Company) or failure to satisfy the conditions of section 1158 of the

Corporation Tax Act 2010 (formerly section 842 of the Income and Corporation Tax Act 1988) could affect the value of the investments held by the Company, affect the Company's ability to provide returns to shareholders or alter the post-tax returns to shareholders. The Company may purchase investments that may be subject to exchange controls or withholding taxes in various jurisdictions. In the event that exchange controls or withholding taxes are imposed with respect to any of the Company's investments, the effect will generally be to reduce the income received by the Company on its investments and the capital value of the affected investments.

Directors' Responsibility Statement

The Directors are responsible for preparing this half-yearly financial report in accordance with applicable law and regulations. The Directors confirm that to the best of their knowledge:

- the condensed set of financial statements contained within the half-yearly financial report has been prepared in accordance with the Accounting Standards Board's Statement "Half Yearly Financial Reports";
- the Interim Board Report (constituting the interim management report) includes a fair review of the information required by rule 4.2.7R of the UK Listing Authority Disclosure and Transparency Rules (being an indication of important events that have occurred during the first six months of the financial year and their impact on the condensed set of financial statements and a description of the principal risks and uncertainties for the remaining six months of the financial year) and 4.2.8R (being related party transactions that have taken place during the first six months of the financial year and that have materially affected the financial position of the Company during that period; and any changes in the related party transactions described in the last Annual Report that could so do).

For and on behalf of the Board of Aberdeen Asian Smaller Companies Investment Trust PLC

Nigel Cayzer

Chairman

28 March 2011

Investment Portfolio

As at 31 January 2011

Company	Sector	Country	Valuation £'000	Total assets %
Bank OCBC NISP	Commercial Banks	Indonesia	8,915	3.9
Bukit Sembawang Estates	Real Estate	Singapore	8,590	3.8
LPI Capital	Financial Services	Malaysia	8,549	3.8
Multi Bintang Indonesia	Beverages	Indonesia	8,291	3.7
Giordano International	Specialty Retail	Hong Kong	6,382	2.8
WBL	Electronic Equipment & Instruments	Singapore	6,116	2.7
Siam Makro	Food & Staples Retailing	Thailand	6,083	2.7
AEON Co (M)	Multi-line Retail	Malaysia	6,039	2.7
Godrej Consumer Products	Personal Products	India	6,006	2.6
Asian Terminals	Transportation Infrastructure	Philippines	5,338	2.4
Top ten investments			70,309	31.1
M. P. Evans	Food Products	Other Asia	5,227	2.3
Li & Fung	Media	Hong Kong	5,092	2.2
United Plantations	Food Products	Malaysia	5,086	2.2
Gujarat Gas	Gas Utilities	India	5,070	2.2
Hana Microelectronics	Electronic Equipment & Instruments	Thailand	5,039	2.2
Wheelock Properties	Real Estate	Singapore	4,634	2.0
Commercial Bank of Ceylon	Commercial Banks	Sri Lanka	4,587	2.0
Castrol	Chemicals	India	4,529	2.0
Guinness Anchor	Beverages	Malaysia	4,382	1.9
Hong Kong Economic Times	Media	Hong Kong	4,355	1.9
Top twenty investments			118,310	52.0
AEON Stores	Multi-line Retail	Hong Kong	4,266	1.9
Tisco Bank	Consumer Finance	Thailand	4,087	1.8
Shangri-La Hotels	Hotels, Restaurants & Leisure	Malaysia	3,918	1.7
Kansai Nerolac Paints	Chemicals	India	3,889	1.7
The HongKong & Shanghai Hotels	Hotels, Restaurants & Leisure	Hong Kong	3,881	1.7
United Malacca	Food Products	Malaysia	3,843	1.7
Public Financial Holdings	Consumer Finance	Hong Kong	3,817	1.7
Pos Malaysia	Air Freight & Logistics	Malaysia	3,802	1.7
Keells (J)	Industrial Conglomerates	Sri Lanka	3,732	1.6
Holcim Indonesia	Construction & Materials	Indonesia	3,651	1.6
Top thirty investments			157,196	69.1
Eastern Water Resources	Water Utilities	Thailand	3,617	1.6
Chevron Lubricants	Oil & Gas	Sri Lanka	3,409	1.5
Jammu & Kashmir Bank	Commercial Banks	India	3,403	1.5
ARB Corp	Auto Components	Australia	3,372	1.5
Aventis Pharmaceuticals	Pharmaceuticals	India	3,111	1.4
Jollibee Foods	Hotels, Restaurants & Leisure	Philippines	3,096	1.4
Cebu Holdings	Real Estate	Philippines	3,061	1.4
Unilever Pakistan	Food Products	Pakistan	2,785	1.2
Asia Satellite Communications	Telecommunications	Hong Kong	2,595	1.1
Daegu Bank	Commercial Banks	South Korea	2,589	1.1
Top forty investments			188,234	82.8

Investment Portfolio continued

Company	Sector	Country	Valuation £'000	Total assets %
CDL Hospitality Trusts	Real Estate	Singapore	2,510	1.1
Hong Leong Finance	Consumer Finance	Singapore	2,422	1.1
Millennium & Copthorne Hotels	Hotels, Restaurants & Leisure	New Zealand	2,311	1.0
Hung Hing Printing	Containers & Packaging	Hong Kong	2,267	1.0
SBS Transit	Road and Rail	Singapore	2,232	1.0
Convenience Retail Asia	Food & Drug Retailers	Hong Kong	2,194	1.0
AEON Credit Service	Consumer Finance	Hong Kong	2,136	0.9
Regional Container Lines	Marine	Thailand	2,044	0.9
FJ Benjamin Holdings	Speciality Retail	Singapore	1,951	0.9
Cafe de Coral	Hotels, Restaurants & Leisure	Hong Kong	1,934	0.9
Top fifty investments			210,235	92.6
DFCC Bank	Commercial Banks	Sri Lanka	1,932	0.9
Goodyear	Auto Components	Thailand	1,809	0.8
YNH Property	Real Estate	Malaysia	1,612	0.7
Ginebra San Miguel	Beverages	Philippines	1,582	0.7
Pacific Basin Shipping	Industrial Transportation	Hong Kong	1,081	0.5
Tasek Corporation	Construction & Materials	Malaysia	989	0.4
Kingmaker Footwear	Textile, Apparels & Luxury Goods	Hong Kong	853	0.4
City e-Solutions	Commercial Services & Supplies	Hong Kong	725	0.3
National Development Bank	Commercial Banks	Sri Lanka	649	0.3
Mustika Ratu	Personal Products	Indonesia	602	0.3
Top sixty investments			222,069	97.9
Haad Thip	Beverages	Thailand	595	0.3
ORIX Leasing	Consumer Finance	Pakistan	191	0.1
Total investments			222,855	98.3
Net current assets ^A			3,793	1.7
Total assets			226,648	100.0

^A Excludes bank loans of £5,494,000

Income Statement

	Six months ended 31 January 2011 (unaudited)			Six months ended 31 January 2010 (unaudited)			Year ended 31 July 2010 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	–	25,970	25,970	–	29,958	29,958	–	71,158	71,158
Income (note 3)	2,862	–	2,862	2,070	–	2,070	6,103	–	6,103
Foreign exchange gains/(losses)	–	144	144	–	(266)	(266)	–	(365)	(365)
Investment management fees	(939)	–	(939)	(730)	–	(730)	(1,521)	–	(1,521)
Administrative expenses	(421)	–	(421)	(350)	–	(350)	(726)	–	(726)
Net return on ordinary activities before finance costs and taxation	1,502	26,114	27,616	990	29,692	30,682	3,856	70,793	74,649
Finance costs	(25)	–	(25)	(29)	–	(29)	(54)	–	(54)
Net return on ordinary activities before taxation	1,477	26,114	27,591	961	29,692	30,653	3,802	70,793	74,595
Taxation	88	(55)	33	(144)	–	(144)	214	(793)	(579)
Net return on ordinary activities after taxation	1,565	26,059	27,624	817	29,692	30,509	4,016	70,000	74,016
Return per share (pence) (note 5):									
Basic	4.83	80.42	85.25	2.61	95.02	97.63	12.85	223.97	236.82
Diluted	n/a	n/a	n/a	2.39	86.78	89.17	11.73	204.50	216.23

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

A Statement of Total Recognised Gains and Losses has not been presented as all gains and losses are recognised in the Income Statement.

All revenue and capital items are derived from continuing operations.

No operations were acquired or discontinued during the period.

Balance Sheet

	As at 31 January 2011 (unaudited) £'000	As at 31 January 2010 (unaudited) £'000	As at 31 July 2010 (audited) £'000
Non-current assets			
Investments at fair value through profit or loss	222,855	153,903	193,050
Current assets			
Loans and receivables	270	1,010	639
Cash and short term deposits	3,955	3,041	5,367
	4,225	4,051	6,006
Creditors: amounts falling due within one year			
Bank loan (note 10)	(5,494)	(6,490)	(5,619)
Other creditors	(432)	(469)	(378)
	(5,926)	(6,959)	(5,997)
Net current (liabilities)/assets	(1,701)	(2,908)	9
Total assets less current liabilities	221,154	150,995	193,059
Provision for liabilities and charges	–	–	(208)
Net assets	221,154	150,995	192,851
Capital and reserves			
Called-up share capital (note 11)	9,287	8,331	8,331
Capital redemption reserve	2,062	2,062	2,062
Share premium account	14,512	11,644	11,644
Special reserve	8,372	10,023	8,372
Warrant reserve	–	1,243	1,243
Capital reserve (note 7)	182,342	114,732	155,040
Revenue reserve	4,579	2,960	6,159
Equity shareholders' funds	221,154	150,995	192,851
Net asset value per share (pence) (note 6):			
Basic	632.59	478.91	619.37
Diluted	n/a	437.93	562.57

Reconciliation of Movements in Shareholders' Funds

Six months ended 31 January 2011 (unaudited)

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Special reserve £'000	Warrant reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 July 2010	8,331	2,062	11,644	8,372	1,243	155,040	6,159	192,851
Net return on ordinary activities after taxation	–	–	–	–	–	26,059	1,565	27,624
Dividends paid (note 2)	–	–	–	–	–	–	(3,145)	(3,145)
Exercise of Warrants (note 11)	956	–	2,868	–	(1,243)	1,243	–	3,824
Balance at 31 January 2011	9,287	2,062	14,512	8,372	–	182,342	4,579	221,154

Six months ended 31 January 2010 (unaudited)

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Special reserve £'000	Warrant reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 July 2009	8,220	2,062	11,312	10,386	1,387	84,896	3,700	121,963
Net return on ordinary activities after taxation	–	–	–	–	–	29,692	817	30,509
Dividends paid (note 2)	–	–	–	–	–	–	(1,557)	(1,557)
Purchase of own shares (note 11)	–	–	–	(363)	–	–	–	(363)
Exercise of Warrants (note 11)	111	–	332	–	(144)	144	–	443
Balance at 31 January 2010	8,331	2,062	11,644	10,023	1,243	114,732	2,960	150,995

Year ended 31 July 2010 (audited)

	Share capital £'000	Capital redemption reserve £'000	Share premium account £'000	Special reserve £'000	Warrant reserve £'000	Capital reserve £'000	Revenue reserve £'000	Total £'000
Balance at 31 July 2009	8,220	2,062	11,312	10,386	1,387	84,896	3,700	121,963
Net return on ordinary activities after taxation	–	–	–	–	–	70,000	4,016	74,016
Dividends paid (note 2)	–	–	–	–	–	–	(1,557)	(1,557)
Purchase of own shares (note 11)	–	–	–	(2,014)	–	–	–	(2,014)
Exercise of Warrants (note 11)	111	–	332	–	(144)	144	–	443
Balance at 31 July 2010	8,331	2,062	11,644	8,372	1,243	155,040	6,159	192,851

Cash Flow Statement

	Six months ended 31 January 2010 (unaudited) £'000	Six months ended 31 January 2010 (unaudited) £'000	Year ended 31 July 2010 (audited) £'000
Net total return before finance costs and taxation	27,616	30,682	74,649
Adjustments for:			
Gains on investments	(25,970)	(29,958)	(71,158)
Effect of foreign exchange rate movements	(144)	266	365
Decrease/(increase) in accrued income	413	201	(259)
Increase in other debtors	(44)	(55)	(6)
Increase in other creditors	50	30	34
Overseas withholding tax suffered	(175)	(144)	(371)
Stock dividend included in investment income	–	(37)	(37)
Net cash inflow from operating activities	1,746	985	3,217
Net cash outflow from servicing of finance	(22)	(29)	(55)
Net tax paid	–	(177)	(177)
Net cash (outflow)/inflow from financial investment	(3,834)	3,016	5,757
Equity dividends paid (note 2)	(3,145)	(1,557)	(1,557)
Net cash (outflow)/inflow before financing	(5,255)	2,238	7,185
Financing			
Purchase of own shares (note 11)	–	(363)	(2,014)
Exercise of Warrants (note 11)	3,824	443	443
Repayment of loan	–	(1,903)	(1,903)
Net cash inflow/(outflow) from financing activities	3,824	(1,823)	(3,474)
(Decrease)/increase in cash	(1,431)	415	3,711
Reconciliation of net cash flow to movements in net debt			
(Decrease)/increase in cash	(1,431)	415	3,711
Effect of foreign exchange rate movements	144	(266)	(365)
Repayment of loan	–	1,903	1,903
Movement in net (debt)/funds in the period	(1,287)	2,052	5,249
Net debt at start of period	(252)	(5,501)	(5,501)
Net debt at end of period	(1,539)	(3,449)	(252)
Represented by:			
Cash	3,955	3,041	5,367
Debt due within one year	(5,494)	(6,490)	(5,619)
	(1,539)	(3,449)	(252)

Notes to the Accounts

1. Accounting policies

(a) Basis of Accounting

The accounts have been prepared in accordance with applicable UK Accounting Standards (United Kingdom Generally Accepted Accounting Practice), with pronouncements on half yearly reporting issued by the Accounting Standards Board and with the Statement of Recommended Practice 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in January 2009. They have also been prepared on the assumption that approval as an investment trust will continue to be granted. The financial statements have been prepared on a going concern basis.

The same accounting policies used for the year ended 31 July 2010 have been applied.

(b) Dividends payable

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

	Six months ended 31 January 2011 £'000	Six months ended 31 January 2010 £'000	Year ended 31 July 2010 £'000
2. Dividends			
Final dividend for 2010 – 8.20p (2009 – 5.00p)	2,553	1,557	1,557
Special dividend for 2010 – 1.90p (2009 – Nil)	592	–	–
	3,145	1,557	1,557

	Six months ended 31 January 2011 £'000	Six months ended 31 January 2010 £'000	Year ended 31 July 2010 £'000
3. Income			
Income from investments			
UK dividend income	22	11	54
Overseas dividends	2,840	1,996	5,966
Stock dividends	–	37	37
Fixed interest	(3)	10	21
	2,859	2,054	6,078
Other income			
Deposit interest	3	6	15
Underwriting commission	–	10	10
	3	16	25
Total income	2,862	2,070	6,103

4. The taxation charge for the period has been calculated at an expected effective annual tax rate of 28% and reflects the tax on offshore funds without distributor status and the subsequent transfer to income for the use of excess expenses.

Notes to the Accounts continued

	Six months ended 31 January 2011	Six months ended 31 January 2010	Year ended 31 July 2010
	P	P	P
5. Return per Ordinary share			
Basic			
Revenue return	4.83	2.61	12.85
Capital return	80.42	95.02	223.97
Total return	85.25	97.63	236.82
The figures above are based on the following:			
	£'000	£'000	£'000
Revenue return	1,565	817	4,016
Capital return	26,059	29,692	70,000
Total return	27,624	30,509	74,016
Weighted average number of shares in issue^A	32,404,220	31,249,190	31,254,783
Diluted	P	P	P
Revenue return	n/a	2.39	11.73
Capital return	n/a	86.78	204.50
Total return	n/a	89.17	216.23
Number of dilutive shares^A	n/a	2,963,641	2,975,169
Weighted average number of dilutive shares in issue^A	n/a	34,212,831	34,229,952

^ACalculated excluding shares held in treasury

The calculation of the diluted total, revenue and capital returns per Ordinary share are carried out in accordance with Financial Reporting Standard No. 22, "Earnings per Share". For the purposes of calculating diluted total, revenue and capital returns per Ordinary share, the number of Ordinary shares is the weighted average used in the basic calculation plus the number of Ordinary shares deemed to be issued for no consideration on exercise of all Warrants by reference to the average share price of the Ordinary shares during the period.

	As at 31 January 2011	As at 31 January 2010	As at 31 July 2010
6. Net asset value per equity share			
Basic			
Net assets attributable	£221,154,000	£150,995,000	£192,851,000
Number of Ordinary shares in issue ^A	34,960,210	31,528,684	31,136,615
Net asset value per Ordinary share (p):			
Basic	632.59	478.91	619.37
Diluted	n/a	437.93	562.57

^AExcludes shares in issue held in treasury.

Upon subscription, the remaining 3,823,595 warrants were converted into Ordinary shares on 1 December 2010, therefore there is no longer any dilution.

The comparative diluted net asset value per Ordinary share has been calculated on the assumption that at 31 January 2010 and 31 July 2010, 3,823,595 Warrants in issue were exercised on the first day of the financial year at 100p per share, giving a total of 35,352,279 Ordinary shares at 31 January 2010 and 34,960,210 Ordinary shares at 31 July 2010.

7. Capital reserve

The capital reserve reflected in the Balance Sheet at 31 January 2011 includes gains of £124,488,000 (31 January 2010 – gains of £62,711,000; 31 July 2010 – gains £99,382,000), which relate to the revaluation of investments held at the reporting date.

8. Transaction costs

During the period expenses were incurred in acquiring or disposing of investments classified as fair value through profit or loss. These have been expensed through capital and are included within gains on investments in the Income Statement. The total costs were as follows:

	Six months ended 31 January 2011 £'000	Six months ended 31 January 2010 £'000	Year ended 31 July 2010 £'000
Purchases	9	9	27
Sales	1	23	55
	10	32	82

9. Related party transactions

Mr M J Gilbert and his alternate, Mr H Young are directors of Aberdeen Asset Management PLC and its subsidiary Aberdeen Asset Management (Asia) Ltd ("AAM Asia"). Mr Gilbert is also a director of Aberdeen Asset Managers Ltd ("AAM"). AAM Asia has an agreement to provide management services to the Company and AAM has an agreement to provide both administration and marketing services to the Company.

The management fee is payable monthly in arrears based on an annual amount of 1.2% calculated on the average net asset value of the Company over a 24 month period, valued monthly. During the period £939,000 (2010 – £730,000) of management fees were earned by the Manager, with a balance of £335,000 (2010 – £247,000) being payable to AAM Asia at the period end.

The investment management fees are charged 100% to revenue.

The administration fee is payable quarterly in advance and is based on a current annual amount of £76,000 (2010 – £73,000). During the period £38,000 (2010 – £36,000) of fees were earned, with a balance of £18,000 (2010 – £18,000) prepaid to AAM at the period end.

The marketing fee is based on a current annual amount of £141,000 (2010 – £80,000), payable quarterly in arrears. During the period £70,000 (2010 – £40,000) of fees were earned, with a balance of £12,000 (2010 – £7,000 prepaid) being payable to AAM at the period end.

10. Bank loan

The Company has a £10 million multi currency credit facility with Barclays Bank which is due to expire on 4 June 2011 (the "Credit Facility"). During the six months ended 31 January 2011 the amount drawn under the Credit Facility was US\$8,800,000. This balance had been rolled over to 3 June 2011 at an all in rate of 0.72688%.

11. Called-up share capital

During the six months ended 31 January 2011 the Company repurchased no Ordinary shares of 25p each (31 January 2010 – 110,000, 31 July 2010 – 502,069) at a cost of nil (31 January 2010 – £363,000, 31 July 2010 – £2,014,000) including expenses. All of these shares were placed in treasury.

During the six months ended 31 January 2011 an additional 3,823,595 (31 January 2010 – 442,698, 31 July 2010 – 442,698) Ordinary shares of 25p each were issued after the remaining 3,823,595 (31 January 2010 – 442,698, 31 July 2010 – 442,698) Warrants were exercised at 100p. The total consideration received was £3,823,595 (31 January 2010 – £442,698), 31 July – £442,698). As a result of the exercise the Warrant reserve has been extinguished during the period.

12. Half-Yearly Report

The financial information in this report does not comprise statutory accounts within the meaning of Section 434 – 436 of the Companies Act 2006. The financial information for the year ended 31 July 2010 has been extracted from published accounts that have been delivered to the Registrar of Companies and on which the report of the auditors was unqualified and contained no statement under Section 498 (2), (3) or (4) of the Companies Act 2006. The interim accounts have been prepared using the same accounting policies as the preceding annual accounts.

Ernst & Young LLP has reviewed the financial information for the six months ended 31 January 2011 pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

13. This Half-Yearly Report was approved by the Board and authorised for issue on 28 March 2011.

Independent Review Report to Aberdeen Asian Smaller Companies Investment Trust PLC

Introduction

We have been engaged by Aberdeen Asian Smaller Companies Investment Trust PLC ("the Company") to review the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2011 which comprises the Income Statement, Balance Sheet, Reconciliation of Movements in Shareholders Funds, Cash Flow Statement and the related notes 1 to 13. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in ISRE 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' Responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Company are prepared in accordance with United Kingdom Generally Accepted Accounting Practice. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with the Accounting Standards Board Statement "Half-Yearly Financial Reports".

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware

of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 31 January 2011 is not prepared, in all material respects, in accordance with the Accounting Standards Board Statement "Half-Yearly Financial Reports" and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Ernst & Young LLP

Edinburgh
28 March 2011

How to Invest in Aberdeen Asian Smaller Companies Investment Trust PLC

Direct

Investors can buy and sell shares in Aberdeen Asian Smaller Companies Investment Trust PLC (the "Company") directly through a stockbroker or indirectly through a lawyer, accountant or other professional adviser. Alternatively shares can be bought directly through Aberdeen's Investment Plan for Children, Aberdeen's Investment Trust Share Plan and Investment Trust ISA.

Aberdeen's Investment Plan for Children

Aberdeen Asset Managers (AAM) runs an Investment Plan for Children (the "Children's Plan") which covers a number of investment companies under its management including the Company. Anyone can invest in the Children's Plan, including parents, grandparents and family friends. All investments are free of dealing charges on the initial purchase of shares, although investors will suffer the bid-offer spread, which can, on some occasions, be a significant amount. Lump sum investments start at £150 per trust, while regular savers may invest from £30 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in the Children's Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts.

Aberdeen's Investment Trust Share Plan

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

Stocks and Shares ISA

An investment of up to £10,680 in the Company can be made in the tax year 2011/2012.

There are no brokerage or initial charges for the ISA, although investors will suffer the bid-offer spread, which can be a significant amount. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA administration charge is £24 + VAT, calculated six monthly and deducted from income. Under

current legislation, investments in ISAs can grow free of capital gains tax.

ISA Transfer

You can choose to transfer previous tax year investments to us which can be invested in the Company while retaining your ISA wrapper. The minimum lump sum for a transfer is £1,000 and is subject to a minimum per trust of £250.

Note

Please remember that past performance is not a guide to the future. Stock market and currency movements may cause the value of shares and the income from them to fall as well as rise and investors may not get back the amount they originally invested.

As with all equity investments, the value of investment trusts purchased will immediately be reduced by the difference between the buying and selling prices of the shares, the market maker's spread.

Investors should further bear in mind that the value of any tax relief will depend on the individual circumstances of the investor and that tax rates and reliefs, as well as the tax treatment of ISAs may be changed by future legislation.

Keeping you Informed

For internet users, detailed data on the Company, including price, performance information and a monthly fact sheet is available from the Trust's website (www.asian-smaller.co.uk) and the TrustNet website (www.trustnet.co.uk).

Alternatively you can call 0500 00 00 40 for information.

Literature Request Service

For literature and application forms for the Manager's investment trust products, please contact:

Telephone: 0500 00 40 00
Email: aam@lit-request.com

For information on the Investment Plan for Children, Share Plan, ISA or ISA Transfer please contact:

Aberdeen Investment Trust Administration
Block C, Western House
Lynchwood Business Park
Peterborough, PE2 6BP
Telephone: 0500 00 00 40

The information above is issued and has been approved for the purposes of the Financial Services and Markets Act 2000 by Aberdeen Asset Managers Limited, Bow Bells House, 1 Bread Street, London EC4M 9HH which is authorised and regulated by the Financial Services Authority.

Corporate Information

Directors

Nigel Cayzer, Chairman
Haruko Fukuda OBE
Martin Gilbert
Alan Kemp
Chris Maude

Alternate Director

Hugh Young (alternate for Martin Gilbert)

Manager

Aberdeen Asset Management Asia Limited
21 Church Street
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Singapore 049480

Secretaries and Registered Office

Aberdeen Asset Management PLC
Bow Bells House
1 Bread Street
London EC4M 9HH
Registered in England as an Investment Company.
Registration Number 3106339

Registrars

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Telephone enquiries 0871 384 2416
Shareview dealing helpline 0871 384 2020
Textel/Hard of hearing line 0871 384 2255
Fax 0871 384 2100

(Calls to Equiniti using the above numbers are charged at 8p per minute from a BT landline. Other telephony providers' costs may vary.)

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Solicitors

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London EC2Y 5AB

Auditors

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Ten George Street
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