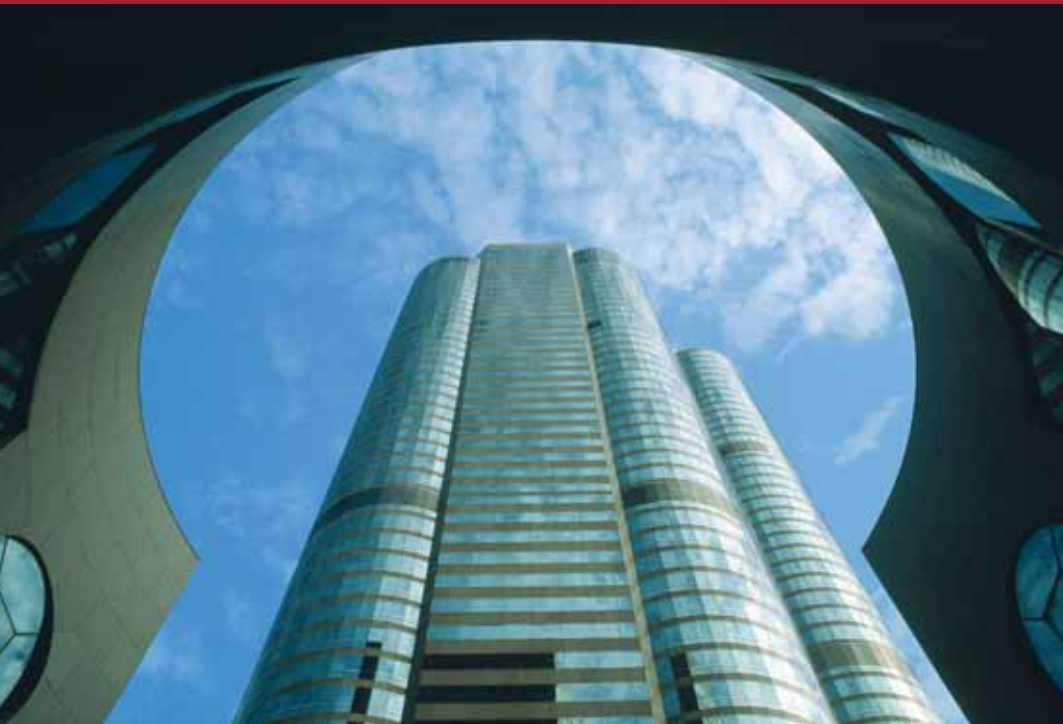


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## Aberdeen Asian Smaller Companies Investment Trust PLC

Half Yearly Report  
31 January 2010



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## Highlights and Financial Calendar

### Financial Highlights

	31 January 2010	31 July 2009	% change
Total assets (£'000) <sup>A</sup>	<b>157,485</b>	130,106	+21.0
Net asset value per Ordinary share (Basic)	<b>478.9p</b>	391.0p	+22.5
Net asset value per Ordinary share (Diluted)	<b>437.9p</b>	356.0p	+23.0
Share price of Ordinary share (mid)	<b>380.0p</b>	300.5p	+26.5
Discount to diluted net asset value	<b>13.2%</b>	15.6%	

<sup>A</sup> Excludes bank loans of £6,490,000 (31 July 2009 – £8,143,000).

### Performance (total return<sup>B</sup>)

	Six months ended 31 January 2010	Year ended 31 July 2009
Net asset value (basic) per Ordinary share	<b>+23.9%</b>	+14.6%
Net asset value (diluted) per Ordinary share	<b>+24.6%</b>	+14.6%
Share price per Ordinary share	<b>+28.1%</b>	+15.3%
MSCI AC Asia Pacific ex Japan Index (currency adjusted)	<b>+12.5%</b>	+7.7%
MSCI AC Asia Pacific ex Japan Small Cap Index (currency adjusted)	<b>+18.7%</b>	+10.4%

<sup>B</sup> Total return represents the capital return plus dividends reinvested.

### Financial Calendar

<b>19 March 2010</b>	Announcement of unaudited half yearly results for the six months ended 31 January 2010
<b>April 2010</b>	Half Yearly Financial Report posted to shareholders
<b>October 2010</b>	Announcement of results for the year ending 31 July 2010
<b>October 2010</b>	Annual Report posted to shareholders
<b>November 2010</b>	Annual General Meeting
<b>30 November 2010</b>	Expected Final Subscription date for warrant holders

# Interim Board Report

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I am pleased to report that the Company's fully diluted net asset value per share ("NAV") for the six months ended 31 January 2010 rose by 23.0%, outperforming both the MSCI Asia Pacific ex Japan Index and the MSCI Asia Pacific ex Japan Small Cap Index, which gained 11.3% and 17.4% respectively. During the six months, the share price rose by 26.5%.

During the period under review, improving economic data and low interest rates benefited Asian stock markets. However, early 2010 saw a correction caused by both fears of monetary tightening in China and the well published debt problems of Dubai. Against this background, it is interesting to note that small cap companies significantly outperformed large-caps by over 6%.

## Overview

Asia remains a compelling long-term investment case, with the global crisis accentuating its relative strengths over the developed world. The region's strong fiscal position, well-capitalised banks and ample cushion of foreign-exchange reserves stand in sharp contrast to the West's mounting public deficits and overleveraged consumers. These superior fundamentals should continue to reinforce Asia's long-term attractiveness for investors.

Growth remained steady throughout the region, with China, India, Indonesia and the Philippines all posting positive upward movement in GDP throughout the global economic crisis. It is not surprising, therefore, that Asian countries have been early movers in tightening monetary policy, most notably Australia, where interest rates have been raised three times.

The companies in which we invest are, generally, conservatively managed. The painful experiences gained during the financial crisis of 1997, meant that many entered this recession with strong balance sheets. As I have reiterated in many statements, Hugh Young and his team at Aberdeen consider this to be a cornerstone of their investment philosophy to which good management and sound business prospects must be added.

In the area of smaller companies; they favour long-term investments in simple, transparent and sustainable businesses, as opposed to those that are in speculative, volatile or cyclical companies. Given the increasing disposable incomes of Asia's growing middle class, they look for companies geared to domestic demand of which Malaysia's Aeon, Hong Kong's Cafe de Coral and Jollibee Foods of the Philippines are good examples. Locally-listed subsidiaries of multinationals offer good investment opportunities as they tend to share their parent's pedigree of professional management and established marketing

expertise. Chevron Lubricants Lanka, Castrol India and Holcim Indonesia all feature in the portfolio.

This methodology has served us well over the last 14 years. Since inception, the undiluted net asset value total return (i.e. with dividends reinvested) is 486.5%, compared with the MSCI Asia Pacific ex Japan Index's gain of 115.3%.

## Share Capital and Gearing

During the period, the Company's Ordinary shares continued to trade at a discount to NAV although this narrowed from 15.6% to 12.9%. Between 1 August 2009 and today's date 292,069 Ordinary shares have been purchased into Treasury, at discounts in excess of 13%. In December 2009, 442,698 Warrants were exercised resulting in the issue of 442,698 new Ordinary shares. Your Board will continue to monitor the Company's discount and to purchase shares and Warrants when it is deemed beneficial to do so in order to improve NAV and to manage the level of the discount to NAV.

## Portfolio

The stock markets of both India and Indonesia showed good growth and the performance of our portfolio in these countries was the greatest contributor to relative return in this period. The portfolio is overweight in both markets. In India, the paint company Kansai Nerolac Paints and the lubricant manufacturer Castrol India were boosted by buoyant car sales, while gas distributor Gujarat Gas rose as a consequence of the Government's plans to expand the country's infrastructure. In Indonesia, Multi Bintang jumped 88% in local currency terms, after Asia Pacific Breweries took a majority stake in the company. This led to a full bid. Bank OCBC NISP's share price was underpinned by strong loan demand from small and medium enterprises.

Our holdings in Singapore also had a positive effect on the performance of the portfolio. Notable outperformers were CDL Hospitality Trust and Bukit Sembawang Estates, which benefited from optimism in the property market. The opening of the two integrated resorts later this year is expected to boost tourism and occupancy rates. Bukit Sembawang recovered previous losses, as it addressed balance sheet issues following a rights issue which we supported.

In Sri Lanka, the Chevron Lubricants Lanka share price rose in line with the local market, on hopes that the end of the 25-year long civil war would usher in a new era of stability. This was underpinned by strong third-quarter profits results.

In contrast, Hong Kong retailers Aeon Stores and Giordano disappointed, as interest rotated to cyclical stocks. Our Malaysian holdings also lagged. Pos Malaysia faced eroding

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mail volumes and rising fixed costs, leading it to instigate a 3-year restructuring plan to restore profitability. United Malacca's share price fell but we continue to like the company for its strong cashflow and high dividend payout.

Your Manager voted against BAT's proposed merger of subsidiaries BAT Indonesia and Bentoel, and in the process received cash for the portfolio's holding in the former. The holdings in CDL Hospitality Trust, Godrej Consumer Goods and Holcim Indonesia were pared on run-ups in their share prices. Against this, we added to Aventis Pharma and Giordano, on relative price weakness.

## Outlook

Economic recovery appears to be underway, helped by government and central bank intervention worldwide. But there may be a cost to this stimulus, particularly in China where concerns are growing that loose monetary policy is creating new asset-price bubbles. A gradual currency revaluation would help suppress rising prices, but China is likely to resist outside pressure to address the perceived undervaluation. If China continues to resist currency appreciation, so too, most likely, will the rest of Asia.

As we have previously said, it is your Board's view and that of the Manager that the long-term outlook for Asia is exciting. The fundamental strength of the major economies of the region combined with the growth emanating from China is leading it out of the effects of the global downturn in advance of the West. The demand from the Asian consumer will continue to grow as a percentage of world demand; at the moment, it accounts for less than a third of that in the US and Europe combined. In China, where there is still a low penetration of consumer durables, increasing availability of bank credit will help drive rapid real economic growth; in 2009, the country overtook the US as the world's largest car market. The domestically-driven economies of India and Indonesia look set for continued growth, despite the sluggish pace of much-needed infrastructure investment.

Ultimately, your Manager believes that the best investment philosophy for a long-term shareholder is to invest in well-run and well-founded companies, particularly those boasting healthy dividend payouts. Your portfolio is home to some of these excellent, growing businesses.

## Principal Risks and Uncertainties

The principal risks and uncertainties faced by the Company fall into six broad categories: (i) Ordinary share market risk, (ii) Dividends, (iii) Borrowings, (iv) Market risk, (v) Foreign exchange risk, and (vi) Taxation and exchange controls. Information on each of these areas is given in the Directors' Report within the Annual Report and Accounts for the year ended 31 July 2009. The principal risks and uncertainties

have not changed in the period from 31 July 2009 to 19 March 2010.

## 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

19 March 2010

# Investment Portfolio

As at 31 January 2010

Company	Sector	Country	Valuation £'000	Total assets %
Bukit Sembawang Estates	Real Estate	Singapore	7,468	4.7
Bank OCBC NISP	Commercial Banks	Indonesia	6,438	4.1
LPI Capital	Financial Services	Malaysia	4,998	3.2
WBL	Electronic Equipment & Instruments	Singapore	4,900	3.1
AEON Stores	Multi-line Retail	Malaysia	4,522	2.9
Castrol	Chemicals	India	4,498	2.9
Multi Bintang Indonesia	Beverages	Indonesia	4,408	2.8
Wheelock Properties	Real Estate	Singapore	4,312	2.7
Hana Microelectronics	Electronic Equipment & Instruments	Thailand	3,899	2.5
Godrej Consumer Products	Personal Products	India	3,808	2.4
Top ten investments			<b>49,251</b>	<b>31.3</b>
United Plantations	Food Products	Malaysia	3,722	2.4
Siam Makro	Food & Staples Retailing	Thailand	3,448	2.2
Gujarat Gas	Gas Utilities	India	3,366	2.1
AEON Stores	Multi-line Retail	Hong Kong	3,290	2.1
Giordano International	Specialty Retail	Hong Kong	3,230	2.1
Kansai Nerolac Paints	Chemicals	India	3,176	2.0
CDL Hospitality Trust	Real Estate	Singapore	3,159	2.0
The HongKong & Shanghai Hotels	Hotels, Restaurants & Leisure	Hong Kong	3,101	2.0
Chevron Lubricants Lanka	Oil & Gas	Sri Lanka	3,002	1.9
Holcim Indonesia	Construction & Materials	Indonesia	2,937	1.9
Top twenty investments			<b>81,682</b>	<b>52.0</b>
Guinness Anchor	Beverages	Malaysia	2,791	1.8
Hong Kong Economic Times	Media	Hong Kong	2,757	1.7
Jammu & Kashmir Bank	Commercial Banks	India	2,702	1.7
Asian Terminals	Transportation Infrastructure	Philippines	2,660	1.7
ICI India	Paints & Chemicals	India	2,638	1.7
Aventis Pharmaceuticals	Pharmaceuticals	India	2,550	1.6
United Malacca	Food Products	Malaysia	2,509	1.6
M. P. Evans	Food Products	Other Asia	2,472	1.5
Daegu Bank	Commercial Banks	South Korea	2,385	1.5
Shangri-La Hotels	Hotels, Restaurants & Leisure	Malaysia	2,361	1.5
Top thirty investments			<b>107,507</b>	<b>68.3</b>
Eastern Water Resources	Water Utilities	Thailand	2,265	1.5
IDS Group	Media	Hong Kong	2,263	1.4
Hong Leong Finance	Consumer Finance	Singapore	2,208	1.4
Keells (J)	Industrial Conglomerates	Sri Lanka	2,182	1.4
Public Financial Holdings	Consumer Finance	Hong Kong	2,166	1.4
Tisco Bank	Consumer Finance	Thailand	2,128	1.4
Jollibee Foods	Hotels, Restaurants & Leisure	Philippines	2,114	1.3
POS Malaysia	Air Freight & Logistics	Malaysia	2,113	1.3
Commercial Bank of Ceylon	Commercial Banks	Sri Lanka	2,091	1.3
AEON Credit Services	Consumer Finance	Hong Kong	2,061	1.3
Top forty investments			<b>129,098</b>	<b>82.0</b>

Company	Sector	Country	Valuation £'000	Total assets %
<b>Cebu Holdings</b>	Real Estate	Philippines	2,050	1.3
<b>Millennium &amp; Copthorne Hotels</b>	Hotels, Restaurants & Leisure	New Zealand	2,013	1.3
<b>Cafe de Coral</b>	Hotels, Restaurants & Leisure	Hong Kong	1,765	1.1
<b>WBL CNV</b>	Electronic Equipment & Instruments	Singapore	1,732	1.1
<b>Unilever Pakistan</b>	Food Products	Pakistan	1,707	1.1
<b>SBS Transit</b>	Road and Rail	Singapore	1,659	1.1
<b>Hung Hing Printing</b>	Containers & Packaging	Hong Kong	1,582	1.0
<b>Asia Satellite Communications</b>	Telecommunications	Hong Kong	1,302	0.8
<b>YNH Property</b>	Real Estate	Malaysia	1,295	0.8
<b>Pacific Basin Shipping</b>	Industrial Transportation	Hong Kong	1,243	0.8
Top fifty investments			<b>145,446</b>	<b>92.4</b>
<b>FJ Benjamin Holdings</b>	Speciality Retail	Singapore	1,178	0.8
<b>Goodyear</b>	Auto Components	Thailand	1,116	0.7
<b>Regional Container Lines</b>	Marine	Thailand	1,115	0.7
<b>Ginebra San Miguel</b>	Beverages	Philippines	934	0.6
<b>Development Finance Corporation of Ceylon</b>	Commercial Banks	Indonesia	843	0.6
<b>Dynaplast</b>	Containers & Packaging	Indonesia	746	0.5
<b>City e-Solutions</b>	Commercial Services & Supplies	Hong Kong	646	0.4
<b>Kingmaker Footwear</b>	Textile, Apparels & Luxury Goods	Hong Kong	533	0.3
<b>Mustika Ratu</b>	Personal Products	Indonesia	518	0.3
<b>National Development Bank</b>	Commercial Banks	Sri Lanka	357	0.2
Top sixty investments			<b>153,432</b>	<b>97.5</b>
<b>Haad Thip</b>	Beverages	Thailand	257	0.2
<b>ORIX Leasing</b>	Consumer Finance	Pakistan	214	0.1
Total investments			<b>153,903</b>	<b>97.8</b>
Net current assets <sup>A</sup>			<b>3,582</b>	<b>2.2</b>
Total assets			<b>157,485</b>	<b>100.0</b>

<sup>A</sup> Excludes bank loans of £6,490,000.

# Income Statement

	Six months ended 31 January 2010 (unaudited)			Six months ended 31 January 2009 (unaudited)			Year ended 31 July 2009 (audited)		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	–	29,958	29,958	–	(10,682)	(10,682)	–	14,420	14,420
Income (note 3)	2,070	–	2,070	1,768	–	1,768	4,954	–	4,954
Foreign exchange losses	–	(266)	(266)	–	(2,680)	(2,680)	–	(1,475)	(1,475)
Investment management fees	(730)	–	(730)	(764)	–	(764)	(1,494)	–	(1,494)
Administrative expenses	(350)	–	(350)	(315)	–	(315)	(623)	–	(623)
<b>Net return on ordinary activities before finance costs and taxation</b>	<b>990</b>	<b>29,692</b>	<b>30,682</b>	<b>689</b>	<b>(13,362)</b>	<b>(12,673)</b>	<b>2,837</b>	<b>12,945</b>	<b>15,782</b>
Finance costs	(29)	–	(29)	(128)	–	(128)	(167)	–	(167)
<b>Net return on ordinary activities before taxation</b>	<b>961</b>	<b>29,692</b>	<b>30,653</b>	<b>561</b>	<b>(13,362)</b>	<b>(12,801)</b>	<b>2,670</b>	<b>12,945</b>	<b>15,615</b>
Taxation	(144)	–	(144)	(161)	–	(161)	(563)	–	(563)
<b>Net return on ordinary activities after taxation</b>	<b>817</b>	<b>29,692</b>	<b>30,509</b>	<b>400</b>	<b>(13,362)</b>	<b>(12,962)</b>	<b>2,107</b>	<b>12,945</b>	<b>15,052</b>
<b>Return per share (pence):</b>									
<b>Basic</b>	<b>2.61</b>	<b>95.02</b>	<b>97.63</b>	<b>1.28</b>	<b>(42.76)</b>	<b>(41.48)</b>	<b>6.75</b>	<b>41.46</b>	<b>48.21</b>
<b>Diluted</b>	<b>2.39</b>	<b>86.78</b>	<b>89.17</b>	<b>1.18</b>	<b>(39.51)</b>	<b>(38.33)</b>	<b>6.24</b>	<b>38.32</b>	<b>44.56</b>

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 2010 (unaudited) £'000	As at 31 January 2009 (unaudited) £'000	As at 31 July 2009 (audited) £'000
<b>Non-current assets</b>			
Investments at fair value through profit or loss	153,903	104,961	127,612
<b>Current assets</b>			
Loans and receivables	1,010	164	374
Cash and short term deposits	3,041	1,749	2,642
	4,051	1,913	3,016
<b>Creditors: amounts falling due within one year</b>			
Bank loan (note 10)	(6,490)	(12,463)	(8,143)
Other creditors	(469)	(439)	(522)
	(6,959)	(12,902)	(8,665)
<b>Net current liabilities</b>	(2,908)	(10,989)	(5,649)
<b>Total assets less current liabilities</b>	150,995	93,972	121,963
<b>Provision for liabilities and charges</b>	–	(23)	–
<b>Net assets</b>	<b>150,995</b>	<b>93,949</b>	<b>121,963</b>
<b>Capital and reserves</b>			
Called-up share capital (note 11)	8,331	8,220	8,220
Capital redemption reserve	2,062	2,062	2,062
Share premium account	11,644	11,312	11,312
Special reserve	10,023	10,386	10,386
Warrant reserve	1,243	1,387	1,387
Capital reserve	114,732	58,589	84,896
Revenue reserve	2,960	1,993	3,700
<b>Equity shareholders' funds</b>	<b>150,995</b>	<b>93,949</b>	<b>121,963</b>
<b>Net asset value per share (pence):</b>			
<b>Basic</b>	<b>478.91</b>	<b>301.16</b>	<b>390.96</b>
<b>Diluted</b>	<b>437.93</b>	<b>276.96</b>	<b>355.95</b>

## Reconciliation of Movements in Shareholders' Funds

### 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
<b>Balance at 31 January 2010</b>	<b>8,331</b>	<b>2,062</b>	<b>11,644</b>	<b>10,023</b>	<b>1,243</b>	<b>114,732</b>	<b>2,960</b>	<b>150,995</b>

### Six months ended 31 January 2009 (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 2008	8,163	2,062	11,140	11,975	1,461	71,877	3,151	109,829
Net return on ordinary activities after taxation	–	–	–	–	–	(13,362)	400	(12,962)
Dividends paid (note 2)	–	–	–	–	–	–	(1,558)	(1,558)
Purchase of own shares (note 11)	–	–	–	(1,589)	–	–	–	(1,589)
Exercise of Warrants (note 11)	57	–	172	–	(74)	74	–	229
<b>Balance at 31 January 2009</b>	<b>8,220</b>	<b>2,062</b>	<b>11,312</b>	<b>10,386</b>	<b>1,387</b>	<b>58,589</b>	<b>1,993</b>	<b>93,949</b>

### Year ended 31 July 2009 (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 2008	8,163	2,062	11,140	11,975	1,461	71,877	3,151	109,829
Net return on ordinary activities after taxation	–	–	–	–	–	12,945	2,107	15,052
Dividends paid (note 2)	–	–	–	–	–	–	(1,558)	(1,558)
Purchase of own shares (note 11)	–	–	–	(1,589)	–	–	–	(1,589)
Exercise of Warrants (note 11)	57	–	172	–	(74)	74	–	229
<b>Balance at 31 July 2009</b>	<b>8,220</b>	<b>2,062</b>	<b>11,312</b>	<b>10,386</b>	<b>1,387</b>	<b>84,896</b>	<b>3,700</b>	<b>121,963</b>

# Cash Flow Statement

	Six months ended 31 January 2010 (unaudited) £'000	Six months ended 31 January 2009 (unaudited) £'000	Year ended 31 July 2009 (audited) £'000
<b>Net total return before finance costs and taxation</b>	30,682	(12,673)	15,782
Adjustments for:			
(Gains)/losses on investments	(29,958)	10,682	(14,420)
Effect of foreign exchange rate movements	266	2,680	1,475
Decrease/(increase) in accrued income	201	43	(185)
(Increase)/decrease in other debtors	(55)	(12)	5
Increase (decrease) in other creditors	30	(9)	(4)
Overseas withholding tax suffered	(144)	(72)	(255)
Stock dividend included in investment income	(37)	(15)	(15)
<b>Net cash inflow from operating activities</b>	<b>985</b>	<b>624</b>	<b>2,383</b>
Net cash outflow from servicing of finance	(29)	(130)	(173)
Net tax paid	(177)	(499)	(658)
Net cash inflow/(outflow) from financial investment	3,016	(2,325)	126
Equity dividends paid (note 2)	(1,557)	(1,558)	(1,558)
<b>Net cash inflow/(outflow) before financing</b>	<b>2,238</b>	<b>(3,888)</b>	<b>120</b>
<b>Financing</b>			
Purchase of own shares	(363)	(1,589)	(1,589)
Exercise of Warrants	443	229	229
Buyback of Warrants	–	–	–
(Repayment)/drawdown of loan	(1,903)	8,065	2,069
<b>Net cash (outflow)/inflow from financing activities</b>	<b>(1,823)</b>	<b>6,705</b>	<b>709</b>
<b>Increase in cash</b>	<b>415</b>	<b>2,817</b>	<b>829</b>
<b>Reconciliation of net cash flow to movements in net debt</b>			
Increase in cash	415	2,817	829
Effect of foreign exchange rate movements	(266)	(2,680)	(1,475)
(Repayment)/drawdown of loan	1,903	(8,065)	(2,069)
<b>Movement in net funds/(debt) in the period</b>	<b>2,052</b>	<b>(7,928)</b>	<b>(2,715)</b>
Net debt at start of period	(5,501)	(2,786)	(2,786)
<b>Net debt at end of period</b>	<b>(3,449)</b>	<b>(10,714)</b>	<b>(5,501)</b>
<b>Represented by:</b>			
Cash	3,041	1,749	2,642
Debt due within one year	(6,490)	(12,463)	(8,143)
	<b>(3,449)</b>	<b>(10,714)</b>	<b>(5,501)</b>

# 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. The adoption of the January 2009 SORP has no effect on the financial statements of the Company, other than the requirement separately to disclose capital reserves that relate to the revaluation of investments held at the reporting date. These are disclosed in note 7. 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 2009 have been applied.

### (b) Dividends payable

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

	Six months ended 31 January 2010 £'000	Six months ended 31 January 2009 £'000	Year ended 31 July 2009 £'000
<b>2. Dividends</b>			
Final dividend for 2009 – 5.00p (2008 – 4.00p)	1,557	1,246	1,246
Special dividend for 2009 – Nil (2008 – 1.00p)	–	312	312
	<b>1,557</b>	<b>1,558</b>	<b>1,558</b>

	Six months ended 31 January 2010 £'000	Six months ended 31 January 2009 £'000	Year ended 31 July 2009 £'000
<b>3. Income</b>			
<b>Income from investments</b>			
UK dividend income	11	10	36
Overseas dividends	1,996	1,732	4,886
Stock dividends	37	15	15
Fixed interest	10	–	3
	2,054	1,757	4,940
<b>Other income</b>			
Deposit interest	6	11	15
Interest on tax refunded	–	–	(27)
Underwriting commission	10	–	26
	16	11	14
<b>Total income</b>	<b>2,070</b>	<b>1,768</b>	<b>4,954</b>

4. The taxation charge for the period has been calculated at an expected effective annual tax rate of 28%.

	Six months ended 31 January 2010	Six months ended 31 January 2009	Year ended 31 July 2009
	p	p	p
<b>5. Return per Ordinary share</b>			
<b>Basic</b>			
Revenue return	2.61	1.28	6.75
Capital return	95.02	(42.76)	41.46
<b>Total return</b>	<b>97.63</b>	<b>(41.48)</b>	<b>48.21</b>
The figures above are based on the following:			
	£'000	£'000	£'000
Revenue return	817	400	2,107
Capital return	29,692	(13,362)	12,945
<b>Total return</b>	<b>30,509</b>	<b>(12,962)</b>	<b>15,052</b>
<b>Weighted average number of shares in issue<sup>A</sup></b>	<b>31,249,190</b>	<b>31,250,716</b>	<b>31,223,576</b>
<b>Diluted</b>	<b>p</b>	<b>p</b>	<b>p</b>
Revenue return	2.39	1.18	6.24
Capital return	86.78	(39.51)	38.32
<b>Total return</b>	<b>89.17</b>	<b>(38.33)</b>	<b>44.56</b>
<b>Number of dilutive shares<sup>A</sup></b>	<b>2,963,641</b>	<b>2,566,179</b>	<b>2,560,696</b>
<b>Diluted shares in issue<sup>A</sup></b>	<b>34,212,831</b>	<b>33,816,895</b>	<b>33,784,272</b>

<sup>A</sup>Calculated 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 2010	As at 31 January 2009	As at 31 July 2009
<b>6. Net asset value per equity share</b>			
<b>Basic</b>			
Net assets attributable	£150,995,000	£93,949,000	£121,963,000
Number of Ordinary shares in issue <sup>A</sup>	31,528,684	31,195,986	31,195,986
<b>Net asset value per Ordinary share (p):</b>			
Basic	478.91	301.16	390.96
Diluted	437.93	276.96	355.95

<sup>A</sup>Excludes shares in issue held in treasury.

The diluted net asset value per Ordinary share has been calculated on the assumption that 3,823,595 (31 January 2009 – 4,266,293 and 31 July 2009 – 4,266,293) Warrants in issue were exercised on the first day of the financial year at 100p per share, giving a total of 35,352,279 (31 January 2009 – 35,462,279 and 31 July 2009 – 35,462,279) Ordinary shares.

## Notes to the Accounts continued

### 7. Capital reserve

The capital reserve reflected in the Balance Sheet at 31 January 2010 includes gains of £62,711,000 (31 January 2009 – gains of £10,851,000; 31 July 2009 – gains £35,034,000), 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 though profit or loss. These have been expensed through capital and are included within gains/(losses) on investments in the Income Statement. The total costs were as follows:

	Six months ended 31 January 2010 £'000	Six months ended 31 January 2009 £'000	Year ended 31 July 2009 £'000
Purchases	9	28	33
Sales	23	30	52
	<b>32</b>	<b>58</b>	<b>85</b>

### 9. Related party transactions

Mr M J Gilbert is a director 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 £730,000 (2009 – £764,000) of management fees earned by the Manager, with a balance of £247,000 (2009 – £252,000) 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 £73,000 (2009 – £73,000). During the period £36,000 (2009 – £36,000) of fees were earned, with a balance of £18,000 (2009 – £18,000) prepaid to AAM at the period end.

The marketing fee is based on a current annual amount of £80,000 (2009 – £103,000), payable quarterly in arrears. During the period £40,000 (2009 – £52,000) of fees were earned, with a balance of £7,000 (2009 – £17,000 prepaid) being payable to AAM at the period end.

### 10. Bank loan

The Company has a 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 2010 the amount drawn under the Credit Facility was reduced from US\$13,500,000 to US\$10,400,000. The remaining balance of US\$10,400,000 has been rolled over to 10 April 2010 at a rate of 0.676%.

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### **11. Called-up share capital**

During the six months ended 31 January 2010 the Company repurchased 110,000 Ordinary shares of 25p each (31 January 2009 – 662,210, 31 July 2009 – 662,210) at a cost of £363,000 (31 January 2009 – £1,589,000, 31 July 2009 – £1,589,000) including expenses. All of these shares were placed in treasury.

During the six months ended 31 January 2010 an additional 442,698 (31 January 2009 – 229,063, 31 July 2009 – 229,063) Ordinary shares of 25p each were issued after 442,698 (31 January 2009 – 229,063, 31 July 2009 – 229,063) Warrants were exercised at 100p each. The total consideration received was £442,698.

### **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 2009 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.

The auditors have reviewed the financial information for the six months ended 31 January 2010 pursuant to the Auditing Practices Board guidance on Review of Interim Financial Information.

**13.** This Half-Yearly Financial Report was approved by the Board and authorised for issue on 19 March 2010.

# Independent Review Report to Aberdeen Asian Smaller Companies Investment Trust PLC

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## 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 2010 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 2010 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

London  
19 March 2010



# How to Invest in Aberdeen Asian Smaller Companies Investment Trust PLC

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## 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 £10,200 in the Company can be made in the tax year 2010/2011.

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](http://www.asian-smaller.co.uk)) and the TrustNet website ([www.trustnet.co.uk](http://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](mailto: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, One Bow Churchyard, Cheapside, London EC4M 9HH which is authorised and regulated by the Financial Services Authority.

# Corporate Information

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## **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  
#01-01 Capital Square Two  
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**

Equiniti  
Aspect House  
Spencer Road  
Lancing  
West Sussex  
BN99 6DA

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.)

## **Stockbrokers**

Matrix Corporate Capital LLP  
One Vine Street  
London  
W1J 0AH

## **Bankers**

Barclays Bank plc  
1<sup>st</sup> Floor, Aurora Building  
120 Bothwell Street  
Glasgow G2 7JT

## **Solicitors**

Maclay Murray & Spens  
One London Wall  
London EC2Y 5AB

## **Auditors**

Ernst & Young LLP  
1 More London Place  
London SE1 2AF

## **Website**

[www.asian-smaller.co.uk](http://www.asian-smaller.co.uk)



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