



Aberdeen
*Asian Smaller
Companies*
Investment Trust PLC



**Invests for long-term capital growth in smaller
companies of the emerging economies of Asia**

Interim Report
31 January 2002

Chairman's Statement

The performance of the Company has been extremely good since its launch in 1995. Since the Company's inception the net asset value has outperformed the MSCI Asia Pacific Free ex-Japan index by 59.3%, and for a second year the Company won the Standard & Poor's award for top performing UK investment trust in the Far East ex-Japan sector. During the six months under review, the net asset value rose a further 8.3% compared with a 9.2% rise in the index.

The main drivers of the stock market rally have been low interest rates and an abundance of liquidity, as well as gathering evidence of an economic recovery. Although naturally cautious about the strength of the recovery, we continue to be optimistic about the performance of smaller companies in Asia simply because the share valuations look as attractive as ever.

There remain hundreds of listed companies across the region which are under-researched and potentially attractive. Identifying and investing in these companies is the primary function of our highly regarded and experienced investment managers, whose consistent and disciplined process has resulted in continued long-term outperformance. Based on our estimates, the portfolio is trading on a price earnings multiple of around 13 times for the 2002 financial year. Companies which we scout for are run by good and experienced management, have strong balance sheets, and are focused on producing returns for shareholders. Examples of these include Caf  de Coral, a fast food chain in Hong Kong, the Unilever subsidiary in Indonesia and BRL Hardy, the producer of Nottage Hill and Eileen Hardy wines, in Australia.

There has also been a steady flow of corporate activity, by way of mergers and acquisitions. For example, in Singapore, United Overseas Bank is taking over the balance of Industrial and Commercial Bank as part of an overall plan to streamline its operations following its takeover of Overseas Union Bank.

In view of the recent rise in markets, and to give the Manager greater flexibility in managing the portfolio, the Board considers it advantageous to approve a change of fund objective to permit an increase in the initial market cap limit on stocks for investment to US\$600 million from \$250 million. Broadening the investment spectrum should better equip the Manager in identifying investment opportunities in Asia, which is well poised to lead the global economy in an upturn.

5 April 2002

Nigel Cayzer
Chairman

Statement of Total Return (unaudited)

(incorporating the Profit & Loss Account of the Company*)

	Six months ended 31 January 2002			Six months ended 31 January 2001		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments	–	2,376	2,376	–	(3,268)	(3,268)
Income	840	–	840	828	–	828
Investment management fee	(227)	–	(227)	(214)	–	(214)
Other expenses	(134)	–	(134)	(116)	–	(116)
Exchange losses	–	(1)	(1)	–	(29)	(29)
Net return before finance costs and taxation	479	2,375	2,854	498	(3,297)	(2,799)
Interest payable and similar charges	(51)	–	(51)	(93)	–	(93)
Return on ordinary activities before taxation	428	2,375	2,803	405	(3,297)	(2,892)
Taxation on ordinary activities	(158)	–	(158)	(156)	–	(156)
Transfer to/(from) reserves	270	2,375	2,645	249	(3,297)	(3,048)
Return per Ordinary share: Basic	1.01	8.88	9.89	0.84	(11.08)	(10.24)

**The revenue column of this statement represents the profit and loss account of the Company. The statement of total return is presented as recommended by the Statement of Recommended Practice for Financial Statements of Investment Trust Companies.*

Balance Sheet

	At 31 Jan 2002 (unaudited) £'000	At 31 Jan 2001 (unaudited) £'000	At 31 Jul 2001 (audited) £'000
Fixed assets			
Investments	35,599	37,407	33,994
Current assets			
Debtors	284	434	258
Cash at bank	863	674	797
	1,147	1,108	1,055
Creditors: amounts falling due within one year	(2,291)	(3,028)	(3,232)
Net current liabilities	(1,144)	(1,920)	(2,177)
Total assets less current liabilities	34,455	35,487	31,817
Provisions for liabilities and charges	(19)	(15)	(26)
Total net assets	34,436	35,472	31,791
Share capital and reserves			
Called-up share capital	6,689	7,439	6,689
Capital redemption reserve	2,062	1,312	2,062
Special reserve	14,990	17,746	14,990
Other capital reserves:			
Warrant reserve	2,275	2,275	2,275
Capital reserve – realised	7,216	5,171	6,556
Capital reserve – unrealised	684	1,040	(1,031)
Revenue reserve	520	489	250
Total equity shareholders' funds	34,436	35,472	31,791
Net asset value per Ordinary share (pence):			
Basic	128.71	119.22	118.83
Fully diluted	122.76	115.56	114.92

Cash Flow Statement (unaudited)

	Six months ended 31 January 2002	Six months ended 31 January 2001
	£'000	£'000
Net cash inflow from operating activities	372	413
Net cash outflow from servicing of finance	(45)	(89)
Net cash outflow from financial investment	(1,725)	(2,268)
Equity dividends paid	(535)	(363)
Net cash outflow before financing	(1,933)	(2,307)
Net cash inflow from financing	2,000	2,000
Increase/(decrease) in cash	67	(307)
Reconciliation of operating revenue to net cash inflow from operating activities		
Net revenue before interest payable and taxation	479	498
Decrease in accrued income	14	12
Decrease in debtors	4	2
(Decrease)/increase in creditors	(8)	14
UK income tax deducted at source	-	(3)
Overseas withholding tax suffered	(117)	(110)
	372	413
Reconciliation of net cash flow to movement in net (debt)/funds		
Increase/(decrease) in cash	67	(307)
Cash inflow from increase in loans	(2,000)	(2,000)
Change in net debt resulting from cash flows	(1,933)	(2,307)
Exchange movements	(1)	(29)
Movement in net debt in the period	(1,934)	(2,336)
Net funds at 1 August	797	260
Net debt at 31 January	(1,137)	(2,076)
Represented by:		
Bank balances and short term deposits	863	674
Debt falling due within one year	(2,000)	(2,750)
	(1,137)	(2,076)

Notes to the Accounts

1. In accordance with the stated policy no interim dividend has been declared (2001 – nil).
2. The breakdown of income for the periods to 31 January 2002 and 2001 was as follows:

	31 January 2002 £'000	31 January 2001 £'000
Income from investments		
Unfranked investment income	836	820
Other income		
Deposit interest	4	8
Total income	840	828

3. The basic revenue return per Ordinary share is based on a net revenue on ordinary activities after taxation of £270,000 (2001 – £249,000) and on 26,754,100 (2001 – 29,754,100) Ordinary shares, being the number of Ordinary shares in issue throughout the period.

The basic capital return per Ordinary share is based on net capital gains of £2,375,000 (2001 – losses of £3,297,000) and on 26,754,100 (2001 – 29,754,100) Ordinary shares, being the number of Ordinary shares in issue throughout the period.

Subsequent to 31 January 2002, the net asset value price rose above 100p. This would give a fully-diluted revenue return per Ordinary share of 0.80p and a fully-diluted capital return per Ordinary share of 7.04p. This has been calculated on the assumption that the 6,999,400 Warrants in issue were exercised on the first day of the financial year at 100p per share, giving a weighted average number of Ordinary shares in issue of 33,753,500.
4. The basic net asset value per Ordinary share is based on net shareholders' funds at the period end, and on 26,754,100 (31 January 2001 – 29,754,100; 31 July 2001 – 26,754,100) Ordinary shares, being the number of Ordinary shares in issue at the period end.

The fully-diluted net asset value per Ordinary share has been calculated on the assumption that the 6,999,400 Warrants in issue (31 January 2001 – 6,999,400; 31 July 2001 – 6,999,400) were exercised on the first day of the financial year at 100p per share giving a total of 33,753,500 (31 January 2001 – 36,753,500; 31 July 2001 – 33,753,500) Ordinary shares.
5. The financial information for the six months ended 31 January 2002 and 31 January 2001 comprises non-statutory accounts within the meaning of Section 240 of the Companies Act 1985. The financial information for the year ended 31 July 2001 has been abridged from published accounts that have been delivered to the Registrar of Companies and in which the report of the auditors was unqualified. The interim accounts have been prepared on the same basis as the annual accounts.

Aberdeen Asset Management PLC

Secretaries

5 April 2002

Independent Review Report by Ernst & Young LLP to Aberdeen Asian Smaller Companies Investment Trust PLC

Introduction

We have been instructed by the Company to review the financial information for the six months ended 31 January 2002 which comprises the Statement of Total Return, Balance Sheet, Cash Flow Statement and the related notes 1 to 5. We have read the other information contained in the Interim Report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The Interim Report, including the financial information contained therein, is the responsibility of, and has been approved by the Directors. The Directors are responsible for preparing the Interim Report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 'Review of interim financial information' issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with United Kingdom Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 31 January 2002.

5 April 2002

Ernst & Young LLP
Reporting Accountants
London

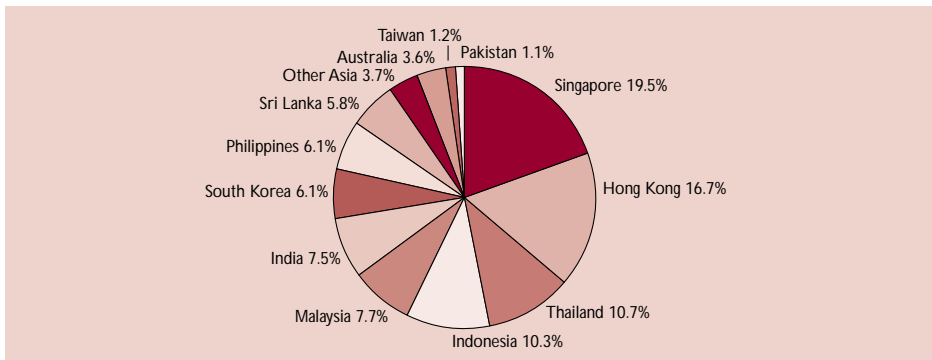
Twenty Largest Investments

By value at 31 January 2002

Company	Sector	Country	Valuation £'000	Total Net Assets %
Unilever Indonesia	Consumer	Indonesia	2,006	5.8
Robinson & Co.	Consumer	Singapore	1,898	5.5
Giordano International	Consumer	Hong Kong	1,669	4.8
Lotte Confectionery	Consumer	South Korea	1,665	4.8
Cafe De Coral	Consumer	Hong Kong	1,357	3.9
Rowe Evans Investments	Agriculture	Other Asia	1,327	3.8
BRL Hardy	Consumer	Australia	1,290	3.7
Courts (Singapore)	Consumer	Singapore	1,197	3.5
Industrial & Commercial Bank	Banks	Singapore	1,067	3.1
La Tondena Distilleries	Consumer	Philippines	1,050	3.0
Informatics Holdings	Technology	Singapore	1,023	3.0
Hana Microelectronics	Electronics	Thailand	993	2.9
Hung Hing Printing	Manufacturing	Hong Kong	855	2.5
Aeon Credit Services	Finance	Hong Kong	840	2.4
Bukit Sembawang Estates	Property	Singapore	824	2.4
Malaysian Oxygen	Chemicals	Malaysia	775	2.2
LPI Capital	Insurance	Malaysia	766	2.2
Singapore Food Industries	Consumer	Singapore	732	2.1
Caltex Lubricants	Basic Metals	Sri Lanka	691	2.0
Sime UEP Properties	Property	Malaysia	680	2.0
			22,705	65.6

Asset Allocation

By value at 31 January 2002



Stock Market Performance

	31 July 2001	31 Jan 2002	% Change Year to date
Australia	215.25	224.05	4.09
Hong Kong	3,169.05	2,998.58	(5.38)
India	63.84	64.99	1.80
Indonesia	63.00	59.94	(4.86)
Malaysia	110.22	122.39	11.04
Pakistan	21.35	26.92	26.09
Philippines	94.18	97.34	3.36
Singapore	159.07	172.56	8.48
South Korea	59.67	87.37	46.42
Sri Lanka	20.76	29.54	42.29
Taiwan	117.86	154.46	31.05
Thailand	40.42	51.03	26.25
MSCI AC Asia Pacific Free ex Japan Index	111.38	121.58	9.16
Aberdeen Asian Smaller Companies			
Undiluted Net Asset Value (pence)	118.83	128.71	8.31

Financial Calendar

5 April 2002	Announcement of unaudited interim results
April 2002	Interim Report posted to shareholders
September 2002	Results announcement for the year ending 31 July 2002
November 2002	Annual Report posted to shareholders
November 2002	Annual General Meeting

Corporate Information

Directors	Nigel Cayzer, Chairman Eric Elstob Martin Gilbert Alan Scott Kemp Hugh Young
Manager	Aberdeen Asset Management Asia Limited 21 Church Street #01-01 Capital Square Two Singapore 049480
Secretaries and Registered Office	Aberdeen Asset Management PLC One Bow Churchyard, Cheapside London EC4M 9HH Company Registration Number: 3106339 Website: www.asian-smaller.co.uk
Registrars	Lloyds TSB Registrars Scotland PO Box 28448, Finance House, Orchard Brae Edinburgh EH4 1WQ Shareholder helpline: 0870 601 5366 (calls charged at National Call Rate)
Stockbrokers	Teather & Greenwood Limited Beaufort House, 15 St. Botolph Street London EC3A 7QR
Bankers	Bank of Scotland Chase Manhattan International
Solicitors	The City Law Partnership 99 Charterhouse Street London EC1M 3NH
Auditors	Ernst & Young LLP Rolls House 7 Rolls Buildings Fetter Lane London EC4A 1NH

Information about the Manager

Aberdeen Investment Trust Share Plan

Aberdeen Asset Managers Limited (AAM) runs a Share Plan which covers the majority of trusts under its management including Aberdeen Asian Smaller Companies Investment Trust PLC. All investments are free of dealing charges on the initial purchase of shares. Lump sum investments start at £250 per trust, while regular savers may invest from just £50 per month. Investors simply pay Government Stamp Duty (currently 0.5%) on entry. Selling costs are £10 + VAT. There is no restriction on how long an investor need invest in a Plan, and regular savers can stop or suspend participation by instructing AAM in writing at any time. In common with other schemes of this type, all investments are held in nominee accounts. Investors have full voting and other rights of share ownership.

Aberdeen Investment Trust Individual Savings Account

The Aberdeen Investment Trust ISA (the ISA) has been available from 6 April 1999. It aims to generate income and/or capital growth within a tax efficient environment. Investors can hold up to three components within an ISA: stocks and shares (including Investment Trusts), cash and life insurance. AAM offers both a Mini and Maxi stocks and shares ISA.

Maxi ISA

The Maxi ISA offers the full range of AAM managed Investment Trusts including emerging markets and specialist trusts. The Maxi ISA does not have a cash or life insurance component. An investment of up to £7,000 can be made in the tax year 2000/2001.

Mini ISA

AAM offers a Mini ISA which will enable investors to invest up to £3,000 in Aberdeen Investment Trusts in the tax year 2001/2002.

Aberdeen Investment Trust PEP/ISA

There are no brokerage or initial charges for the Aberdeen Investment Trust ISA. Investors only pay Government Stamp Duty (currently 0.5%) on purchases. Selling costs are £15 + VAT. The annual ISA and PEP management charge is 0.5%, calculated monthly and deducted from income half yearly. Under current legislation, trusts can grow free of income or capital gains tax. In the case of dividends from equity assets held within an ISA or a PEP, a 10% tax credit will be reclaimed until April 2004, when the tax credit will be abolished.

Trust Information

If you would like details of any trust managed by AAM, or information on the Share Plan or ISA please telephone 0500 00 00 40 or write to Aberdeen Asset Managers Limited, One Albyn Place, Aberdeen AB10 1YG or e-mail at inv.trusts@aberdeen-asset.com. Details are also available by accessing the internet on the following page: <http://www.aberdeen-asset.com>



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Regulated by The Monetary Authority of Singapore