



Invesco Asia Trust plc
ANNUAL FINANCIAL REPORT
YEAR ENDED 30 APRIL 2014



Investment Objective

Invesco Asia Trust plc (the 'Company') is a UK investment trust listed on the London Stock Exchange. The Company was launched in July 1995. The objective of Invesco Asia Trust plc is to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian companies. The Company aims to achieve growth in its net asset value in excess of the MSCI All Countries Asia Pacific ex Japan Index (total return), expressed in sterling.

Investment Policy

The Company invests primarily in the equity securities of companies listed on the stockmarkets of Asia (ex Japan) including Australasia. It may also invest in unquoted securities up to 10% of the value of the Company's gross assets, and in warrants and options when it is considered the most economical means of achieving exposure to an asset.

Life of the Company

In accordance with the Company's Articles of Association, the Board asks shareholders every three years to release them from the obligation to convene an Extraordinary General Meeting and to put forward proposals that the Company be wound up on a voluntary basis. The next time the Board will ask to be released from the obligation to wind up the Company will be at the Annual General Meeting in 2016.

Nature of the Company

The Company is a public listed Investment Company whose shares are traded on the London Stock Exchange. The business of the Company consists of investing the pooled funds of its shareholders, according to its specified investment objective and policy, with the aim of spreading investment risk and generating a return for shareholders. The Company uses borrowing for additional investment with the aim of enhancing returns to shareholders. This increases the potential risk to shareholders should the value of investments fall.

The Company has contracted with an external investment manager, Invesco Asset Management Limited (the 'Manager'), to manage its investments and for the Company's general administration. Other administrative functions are contracted to external service providers. The Company has a Board of non-executive directors who oversee and monitor the activities of the Manager and other service providers on behalf of shareholders and ensure that the investment objective and policy is adhered to. The Company has no employees.

Discount Control and Tender Offer Mechanisms

The Board seeks to manage liquidity in the Company's shares by operating a discount control mechanism. The Company will propose a tender offer for the year ending 30 April 2015 if the Company's shares trade at an average discount of more than 10% to the fully diluted, ex income net asset value (NAV). This offer would be for up to 15% of the Company's issued share capital at a 2% discount to NAV (after costs). The same tender offer target was applied to the year ended 30 April 2014, however, as the average discount was less than 10% to NAV no tender offer is being proposed at this year's AGM. These mechanisms help to reduce the volatility of the Company's share price relative to its NAV.

The Company's shares qualify to be considered as a mainstream investment product suitable for promotion to retail investors and are eligible for investment in an ISA.

Potential investors are reminded that the value of investments and the income from them may go down as well as up and investors may not receive back the full amount invested. Tax benefits may vary as a result of statutory changes and their value will depend on individual circumstances.

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If you have any queries about Invesco Asia Trust plc or any of the other specialist funds managed by Invesco Perpetual please contact the Investor Services Team on:

☎ 0800 085 8677

🌐 www.invescoperpetual.co.uk/investmenttrusts

Front Cover: Sandstone, Clastic Sedimentary rock, resistant outcrops (China)

The Company is a
member of

aic

The Association of
Investment Companies

FINANCIAL INFORMATION AND PERFORMANCE STATISTICS

The benchmark index of the Company is the MSCI All Countries Asia Pacific ex Japan Index (total return), measured in sterling.

Notes:

(1) Source: Thomson Reuters Datastream.

(2) The 15% tender offer in August 2013 is reflected in the decrease in net assets at the year end and will have significantly affected the income and net revenue available for ordinary shares figures.

Terms marked † are defined in the Glossary of Terms on page 65.

Performance Statistics

	AT 30 APRIL 2014	AT 30 APRIL 2013	% CHANGE
Total Return Statistics (1):			
– Net Asset Value (NAV)			+0.9
– Share Price			+2.0
– Benchmark Index			–6.8
Capital Statistics			
Net assets (2) (£'000)	162,969	195,528	–16.7
Gearing†:			
– gross	3.3%	5.6%	
– net	2.4%	5.1%	
NAV per ordinary share:			
– basic	183.4p	184.6p	–0.7
Benchmark index (1)	280.9	311.1	–9.7
Market price per ordinary share	164.0p	164.0p	+0.0
Discount† per ordinary share:			
– cum income	10.6%	11.2%	
– ex income	8.8%	9.6%	
Average discount over the year (ex income)	9.8%	10.9%	

Revenue

	YEAR ENDED 30 APRIL 2014	YEAR ENDED 30 APRIL 2013	% CHANGE
Income (2) (£'000)	4,547	4,557	–0.2
Net revenue available for ordinary shares (2) (£'000)	3,332	3,328	+0.1
Dividend per share	3.45p	3.20p	+7.8
Ongoing charges ratio†	1.05%	1.08%	
Revenue return per ordinary share – diluted	3.60p	3.20p	

Ten Year Historical Record

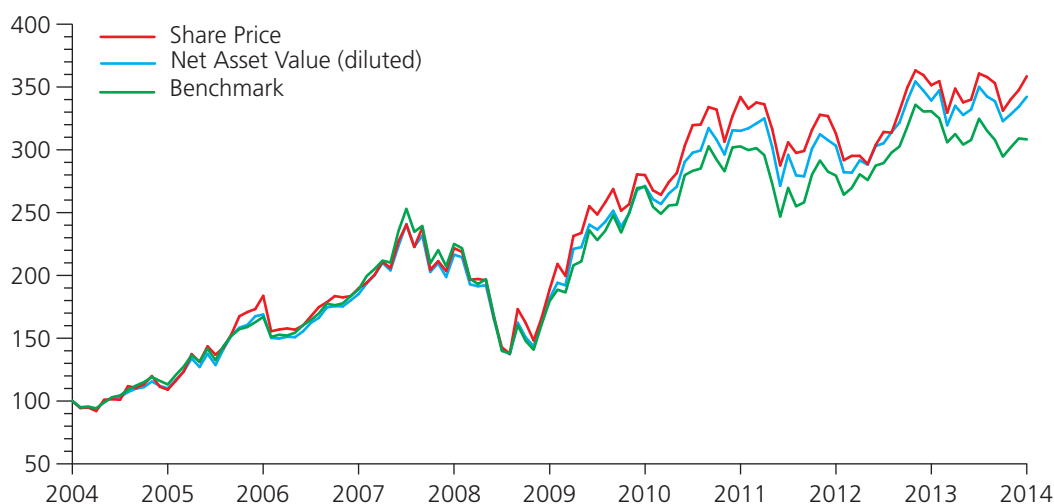
Year to 30 April	Income £'000	Net revenue available for ordinary shares £'000	Dividends on ordinary shares		Net assets £'000	Diluted net asset value per ordinary share ⁽¹⁾ p	Mid-market price per ordinary share p
			Rate p	Cost £'000			
2005	2,033	993	0.90	954	70,848	66.9	57.8
2006	2,593	1,307	1.20	1,272	107,209	101.2	96.0
2007	2,816	1,434	1.30	1,378	116,146	109.6	97.8
2008	3,247	1,762	1.50	1,408	118,862	126.7	112.8
2009	2,711	1,463	1.50	1,408	98,667	105.1	94.5
2010	3,066	2,184	2.30	2,111	150,934	154.9	138.3
2011	4,104	2,983	2.90	2,730	176,856	177.6	166.1
2012	4,738	3,593	3.20	2,981	164,741	168.6	149.4
2013	4,557	3,328	3.20	3,389	195,528	184.6	164.0
2014⁽²⁾	4,547	3,332	3.45	3,066	162,969	183.4	164.0

(1) When dilution occurs, the diluted NAV per ordinary share is shown.

(2) The 15% tender offer in August 2013 is reflected in the decrease in net assets at the year end and will have significantly affected the income and net revenue available for ordinary shares figures.

Ten Year Total Return Performance

Rebased to 100 at 30 April 2004



Ten Year Total Return in Sterling Terms to 30 April⁽¹⁾

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2 YEARS	5 YEARS	10 YEARS
Net Asset Value %	10.2	53.3	9.7	16.9	-16.1	49.3	16.2	-3.8	11.9	0.9	12.9	88.4	242.2
Share Price %	9.0	68.6	3.3	16.8	-14.9	48.4	22.2	-8.5	12.3	2.0	14.6	90.0	258.5
Benchmark %	13.2	47.5	13.2	19.1	-20.3	50.9	11.8	-7.7	18.3	-6.8	10.3	71.9	208.3

Annualised Total Returns to 30 April 2014⁽¹⁾

	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	6 YEARS	7 YEARS	8 YEARS	9 YEARS	10 YEARS
Net Asset Value %	0.9	6.2	2.8	6.0	13.5	7.9	9.2	9.2	13.4	13.1
Share Price %	2.0	7.0	1.6	6.4	13.7	8.3	9.5	8.7	14.1	13.6
Benchmark %	-6.8	5.0	0.6	3.3	11.4	5.4	7.2	8.0	11.8	11.9

(1) Source: Thomson Reuters Datastream.

CHAIRMAN'S STATEMENT



Carol Ferguson

Performance

This is my first report to shareholders since my appointment as Chairman at last year's AGM and it is pleasing to record that your Company has performed well against a difficult economic and financial background. This is illustrated by an increase in the NAV including income of 0.9% over the last twelve months compared with the benchmark which declined by 6.8%. The share price rose by 2%, a consequence both of the NAV growth and of the discount to capital NAV narrowing to 8.8% from 9.6% at the last year end.

The performance of Asian equity markets has been sensitive to changing expectations in two key areas: the outlook for China's economy and the outlook for the global liquidity environment. While developed markets became more attractive to investors with further evidence of a broadening recovery, the prospect of a reduction in liquidity in the global financial system clearly impacted sentiment towards Asian equity markets which underperformed their developed market peers for much of the period. China's prospects continued to dominate and while reform announcements were met with initial optimism, lingering concerns over the strength of China's economy weighed on the region's equity market performance. These trends are discussed more fully in the Portfolio Managers' Report.

Discount Control and Tender Offer

The Board considers it desirable that, in normal market conditions, the Company's shares should trade at a price which, on average, represents a discount of less than 10% to NAV excluding income. In order to meet this objective, the Company uses a combination of tender offers and market buy backs.

Thus, in the 2013 Annual Financial Report the Board proposed making a tender offer if the shares traded over the year to 30 April 2014 at an average discount of more than 10% to NAV excluding income. I can confirm that as the average discount over the year was 9.8% a tender offer has not been triggered. However, the Board has concluded that it would be in shareholders' interests to extend this arrangement to the financial year ending 30 April 2015.

In the year to 30 April 2013, the average discount was greater than 10% and accordingly a tender offer for 15% of the Company's shares was made in August 2013. The Company repurchased and cancelled 15,886,669 ordinary shares at a price of 170.3877p per share.

To assist the Board in dealing with any material overhang in the market, shares may be repurchased when, in the opinion of the Board, the discount is higher than desired and shares are available. The authority for the Board to repurchase shares at its discretion is sought from shareholders annually at the AGM. The Board is of the view that the principal purpose of share repurchases is to enhance net asset value for the remaining shareholders, although it may also assist in addressing the imbalance between the supply of and demand for the Company's shares and thereby reduce the scale and volatility of the discount at which the shares trade in relation to the underlying net asset value. During the year to 30 April 2014 a total of 1,165,648 ordinary shares were bought back and cancelled, enhancing the NAV by £187,000 (0.12%).

Dividend

The Board is recommending a final dividend of 3.45p per ordinary share (2013: 3.2p), an increase of 7.8%. The dividend, which is subject to the approval of shareholders at the Annual General Meeting, will be payable on 12 August 2014 to shareholders on the register on 18 July 2014, and will be marked ex-dividend on 16 July 2014.

Outlook

The Board is positive on the outlook for Asian equity markets which it believes should continue to enjoy the support of medium-term structural trends, such as rising incomes and robust domestic consumption. Asian economic growth has slowed, but it is expected to remain stable at the lower level, yet be sufficiently high in 2014 to offer attractive investment opportunities. The global economic recovery continues to be somewhat lacklustre, but having been too optimistic in recent years, the earnings expectations of Asian companies now reflect this reality.

In China, leading economic indicators continue to suggest a slowdown as the authorities show their determination to reign in the excessive lending of the past few years. However, as the portfolio managers state in their report, the new reform agenda provides grounds for optimism. These forces for change across the region, if implemented, could potentially provide a more positive backdrop for Asian equity markets, even though economic growth is likely to be slower than that seen over the first decade of this century. Asian equity markets have to a large extent factored in the current macroeconomic challenges, and current valuation levels for the region are low relative both to history and against developed equity markets.

Alternative Investment Fund Managers Directive (AIFMD)

Most investment trusts which are managed or promoted within the European Union will now be required to comply with this European Directive which has effect from 22 July 2013. To allow for the necessary contractual and other changes the Financial Conduct Authority has permitted a twelve month transitional period for compliance. Under the Directive, the key implications are that the Company is required to appoint an Alternative Investment Fund Manager (the AIFM) and a Depositary. Following independent legal advice, the Board has decided, in principle, to appoint Invesco Fund Managers Limited (IFML) as the Company's AIFM, pending IFML's approval by the Financial Conduct Authority. IFML is an associated company of the current Manager, Invesco Asset Management Limited (IAML), and it is expected that IAML will continue to manage the Company's investments under delegated authority from IFML. It has also been agreed in principle that BNY Mellon Trust & Depositary (UK) Limited be appointed as depositary to oversee the custody and cash arrangements.

While compliance will result in some additional costs, these are not likely to be significant, and the Board has been advised that the AIFMD is unlikely to have any material effect on the services provided to or by the Company.

Annual General Meeting

The Company's AGM will be held at 12 noon on 7 August 2014 at 43-45 Portman Square, London W1H 6LY. Shareholders' attention is drawn to resolution 10 in the Notice of Meeting on pages 59 to 62. This resolution seeks shareholder authority to convert the share premium account into a distributable reserve, subject to High Court approval. If approved, this will enable the Company to fund any future tender offer and share buy backs. For the sake of clarity this reserve will not be used by the Company to fund dividends. Full details of the proposal are included in the circular which shareholders received with this annual report.

We, the Directors of your Company, regard the AGM as the most important meeting of the year. The portfolio managers, Stuart Parks and Ian Hargreaves, will be making a presentation, highlighting the achievements of the past year and the prospects for the year to come and they will be available to answer your questions. We have considered all the resolutions proposed in the Notice of AGM and believe all are in the interests of shareholders as a whole. We therefore recommend that you vote in favour of each resolution.

Carol Ferguson

Chairman

1 July 2014

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2014

BUSINESS REVIEW

Invesco Asia Trust plc is an investment company and its investment objective is set out below. The strategy the Board follows to achieve that objective is to set investment policy and risk guidelines, together with investment limits, and to monitor how they are applied. These are also set out below and have been approved by shareholders.

As an investment company, the Company contracts with external service providers for all requirements. By far the largest of these contracts is with Invesco Asset Management Limited (the 'Manager') to manage the portfolio in accordance with the Board's strategy and under its oversight. Stuart Parks and Ian Hargreaves (the 'portfolio managers') are jointly responsible for the day-to-day management of the portfolio.

The Manager also provides company secretarial, marketing and general administration services including accounting. The other main external service providers include the registrar, custodian, corporate broker and auditor. The details of these are shown on page 64.

Investment Objective

The Company's objective is to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian companies. The Company aims to achieve growth in its net asset value (NAV) in excess of the Benchmark Index, the MSCI All Countries Asia Pacific ex Japan Index (total return), expressed in sterling.

Investment Policy

Invesco Asia Trust plc invests primarily in the equity securities of companies listed on the stockmarkets of Asia (ex Japan) including Australasia. It may also invest in unquoted securities up to 10% of the value of the Company's gross assets, and in warrants and options when it is considered the most economical means of achieving exposure to an asset.

The Company is actively managed and the Manager has broad discretion to invest the Company's assets to achieve its investment objective. The Manager seeks to ensure that the portfolio is appropriately diversified having regard to the nature and type of securities (such as performance and liquidity) and the geographic and sector composition of the portfolio.

Investment Limits

The Board has prescribed limits on the investment policy, including:

- exposure to any one company may not exceed 10% of total assets;
- individual and combined exposure to group-related companies may not exceed 10% and 15% respectively of total assets;
- the Company may not invest more than 10% of total assets in collective investment funds;
- the Company may not invest more than 10% in aggregate in unquoted investments;
- the Company may invest in warrants and options up to a maximum of 10% of total assets. Apart from these and currency hedges, other derivative instruments are not permitted; and
- the Company may use borrowings up to 25% of net assets.

With the exception of borrowings in foreign currency, the Company does not normally hedge its currency positions but may do so if considered appropriate.

All the above limits are applied at the time of acquisition, except gearing which is monitored on a daily basis.

Borrowing and Debt

The Company's borrowing policy is determined by the Board. The level of borrowing may be varied in accordance with the portfolio managers' assessment of risk and reward, subject to the overall limit of 25% of net assets and the availability of suitable finance.

Performance

The Board reviews performance by reference to a number of Key Performance Indicators which include the following:

- the net asset value (NAV) and share price;
- peer group performance;
- dividend;
- ongoing charges ratio; and
- discount.

A chart showing the total return **NAV** and **share price** performance compared to the MSCI All Countries Asia Pacific ex Japan Index (in sterling terms) (the Company's 'benchmark index') can be found on page 3.

Peer group performance is monitored in relation to eight other investment trust companies that in the opinion of the Board form the peer group of the Company, being trusts that invest for growth in the Asia excluding Japan sector, as these most closely match the Company's investment objective and capital structure. As at 30 April 2014, in NAV terms the Company was ranked 1st over one year, and ranked 3rd and 6th over three and five years respectively (source: Thomson Reuters Datastream).

The ten year record for **dividends** can be found on page 3, and the **ongoing charges ratio** for the last two years on page 2.

The **discount** of the shares is monitored on a daily basis. During the year the shares traded at a discount to NAV (ex income) in a range of 7.3% to 12.0% and an average discount of 9.8%. At the year end the discount to the NAV (ex income) stood at 8.8%.

The Board considers it desirable that the Company's shares do not trade at a significant discount to NAV and believes that, in normal market conditions, the shares should trade at a price which on average represents a discount of less than 10% to NAV. To enable the Board to take action to deal with any material overhang of shares in the market it seeks authority from shareholders annually to buy back shares. Shares may be repurchased when, in the opinion of the Board, the discount is wider than desired and shares are available in the market. The Board considers that the repurchase of shares will enhance net asset value for remaining shareholders and may also assist in addressing the imbalance between the supply of and demand for the Company's shares and thereby reduce the scale and volatility of the discount at which the shares trade in relation to the underlying net asset value.

Results and Dividends

For the year ended 30 April 2014 the net asset value total return was +0.9% compared to the return on the benchmark index of -6.8%. The Portfolio Managers' Report on pages 12 to 15 reviews the results.

Subject to approval at the AGM, the proposed final dividend for the year ended 30 April 2014 of 3.45 per share (2013: 3.2p) will be payable on 12 August 2014 to shareholders on the register on 18 July 2014. Shares will be marked ex-dividend on 16 July 2014.

Financial Position and Borrowing

At the balance sheet date the Company's net assets were valued at £163 million (2013: £196 million) comprising a portfolio of mainly equity investments and net current assets including £5.3 million (2013: £10.9 million) of US dollar borrowing. Borrowing is in the form of a 364 day committed multicurrency revolving credit facility provided by the Bank of New York Mellon. The maximum borrowing allowed under this facility is the lower of £20 million and 25% of the adjusted net asset value of the Company. The interest rate on amounts borrowed is LIBOR + 0.85%. This facility is due for renewal on 8 August 2014 and details of this facility are shown in note 11, with interest paid (finance costs) shown in note 5.

STRATEGIC REPORT

BUSINESS REVIEW continued

Outlook, including the Future of the Company

The main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Portfolio Manager's Report of this Strategic Report. Further details of the principal risks affecting the Company are set out in the next section: 'Principal Risks and Uncertainties'.

Principal Risks and Uncertainties

Investment Objective

There can be no guarantee that the Company will meet its investment objective.

Investment Process

At the core of the Manager's philosophy is a belief in active investment management. Fundamental principles drive a genuinely unconstrained investment approach, which aims to deliver attractive total returns over the long term. The investment process emphasises pragmatism and flexibility, active management, a focus on valuation and the combination of top-down and bottom-up fundamental analysis. Bottom-up analysis forms the basis of the investment process. It is the key driver of stock selection and is expected to be the main contributor to alpha generation within the portfolio. Portfolio construction at sector level is largely determined by this bottom-up process but is also influenced by top-down macro economic views.

Research provides a detailed understanding of a company's key historical and future business drivers, such as demand for its products, pricing power, market share trends, cash flow and management strategy. This allows the Manager to form an opinion on a company's competitive position, its strategic advantages/disadvantages and the quality of its management. Each member of the portfolio management team travels to the region between three and four times per year and therefore the team has contact with several hundred companies during each year. The Manager will also use valuation models selectively in order to understand the assumptions that brokers/analysts have incorporated into their valuation conclusions and as a structure into which the Manager can input its own scenarios.

Risk management is an integral part of the investment management process. Core to the process is that risks taken are not incidental but are understood and taken with conviction. The Manager controls stock-specific risk effectively by ensuring that the portfolio is appropriately diversified.

Also, in-depth and constant fundamental analysis of the portfolio's holdings provide the Manager with a thorough understanding of the individual stock risk taken. The internal Performance & Risk Team, an independent team, ensures that the Manager adheres to the portfolio's investment objectives, guidelines and parameters. There is also a culture of challenge and debate within the portfolio management team regarding portfolio construction and risk.

Portfolio performance is substantially dependent on the performance of Asian and Australasian equities. Stocks are influenced by the general health of the region.

Market Risk

The Company's investments are traded on the Far Eastern, Indian and Australasian stockmarkets as well as the UK. The principal risk for investors in the Company is of a significant fall and/or a prolonged period of decline in the markets. This could be triggered by unfavourable developments within the region or events outside it.

The value of investments held within the portfolio is influenced by many factors including the general health of the world economy, interest rates, inflation, government policies, industry conditions, political and diplomatic events, tax laws, environmental laws, and by changing investor demand. Such factors are outside the control of the Board and the Manager and may give rise to high levels of volatility in the prices of investments held by the Company.

Investment Risk

Bad performance of individual portfolio investments is mitigated as the Board has established guidelines to ensure that the investment policy of the Company is pursued by the portfolio managers who undertake continual analysis of the fundamentals of all holdings and ensure that the Company's portfolio of investments is appropriately diversified. The performance of the portfolio managers is carefully monitored by the Board and the continuation of the management contract is reviewed each year. Past performance of the Company is not necessarily indicative of future performance.

A fuller discussion of the economic and market conditions facing the Company and the current and future performance of the portfolio of the Company are included in the Portfolio Managers' Report on pages 12 to 15.

Foreign Exchange Risk

The movement of exchange rates may have an unfavourable or favourable impact on returns as the majority of the assets are non-sterling denominated. This risk can be mitigated by the use of hedging, including the use of non-sterling denominated borrowing. The foreign currency exposure of the Company is monitored by the Manager on a daily basis and reviewed at Board meetings.

Ordinary Shares

The market value of the ordinary shares in the Company may not reflect their underlying NAV and may trade at a discount to it. The Board and the Manager maintain an active dialogue with the aim of ensuring that the market valuation of the Company's shares reflects the underlying NAV and there are in place share repurchase and issuance facilities, and a declared discount monitoring mechanism to help the management of this process.

The value of an investment in the Company and the income derived from that investment may go down as well as up and an investor may not get back the amount invested.

Any tender offer would result in a decrease in the size of the Company which could potentially affect both the liquidity of the Company's shares as well as requiring the disposal of assets to fund the tender. A tender offer could also materially affect the ongoing charges ratio.

Borrowing

Whilst the use of borrowings by the Company should enhance the total return on the shares where the return on the Company's underlying portfolio is positive and exceeds the cost of borrowings, it will have the opposite effect where the underlying return is negative, further reducing the total return on the shares.

Derivatives

The Company may enter into derivative transactions if approved by the Board for efficient portfolio management. Derivative instruments can be highly volatile and expose investors to a high risk of loss. There is a risk that the returns on the derivative do not exactly correlate to the returns on the underlying investment, obligation or market sector being hedged against. If there is imperfect correlation, the Company may be exposed to greater loss than if the derivative had not been entered into.

Reliance on Third Party Service Providers

The Company has no employees and the Directors have all been appointed on a non-executive basis. The Company is reliant upon the performance of third party service providers for its executive function. The Company's most significant contract is with the Manager, to whom responsibility both for the Company's portfolio and for the provision of company secretarial and administrative services are delegated. The Company has other contractual arrangements with third parties to act as auditor, registrar, custodian and broker. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operation of the Company and could affect the ability of the Company to successfully pursue its investment policy and expose the Company to reputational risk.

STRATEGIC REPORT

BUSINESS REVIEW continued

In particular, the Manager performs services which are integral to the operation of the Company. The Manager may be exposed to the risk that litigation, misconduct, operational failures, negative publicity and press speculation, whether or not it is valid, will harm its reputation. Any damage to the reputation of the Manager could result in counterparties and third parties being unwilling to deal with the Manager and by extension the Company. This could have an adverse impact on the ability of the Company to pursue its investment policy.

The Board seeks to manage these risks in a number of ways:

- The Manager monitors the performance of all third party providers in relation to agreed service standards on a regular basis, and any issues and concerns are dealt with promptly and reported to the Board. The Manager formally reviews the performance of all third party providers and reports to the Board on an annual basis.
- The Board reviews the performance of the Manager at every board meeting and otherwise as appropriate. The Board has the power to replace the Manager and reviews the management contract formally once a year.
- The day-to-day management of the portfolio is the joint responsibility of Stuart Parks and Ian Hargreaves who are part of the Invesco Perpetual Asian Equities team. They have worked in equity markets for 28 years and 19 years respectively and have been the Company's portfolio managers for a number of years. The Board has adopted guidelines within which the Company's portfolio managers are permitted discretion. Any proposed variation outside these guidelines is referred to the Board and the guidelines themselves are reviewed at every board meeting.
- The risk that the portfolio managers might be incapacitated or otherwise unavailable is mitigated by the fact that they work closely with each other and they also work within, and are supported by, the wider Invesco Perpetual Asian Equities team.

Regulatory

The Company is subject to various laws and regulations by virtue of its status as a public limited company, its status as an investment trust and its listing on the Official List of the UK Listing Authority.

Loss of investment trust status for tax purposes could lead to the Company being subject to tax on any realised capital profits on the sale of its investments. A serious breach of other regulatory rules could lead to suspension from the Official List, a fine or a qualified audit report. Other control failures, either by the Manager or any other of the Company's service providers, could result in operational or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.

The Manager reviews compliance with tax and other financial regulatory requirements on a daily basis. All transactions, income and expenditure are reported to the Board. The Board regularly considers all perceived risks and the measures in place to control them. The Board ensures that satisfactory assurances are received from service providers. The Manager's Compliance and Internal Audit Officers produce reports regularly for review by the Company's Audit Committee.

Board Diversity

The Company's policy on diversity is set out on page 28. The Board takes into account many factors, including the balance of skills, knowledge, diversity (including gender) and experience, amongst other factors when reviewing its composition and appointing new directors, but does not consider it appropriate to establish targets or quotas in this regard. The Board comprises four non-executive directors, three of whom are male. There are no set targets in respect of diversity, including gender. However, diversity forms part of both the Nominations Committee and main Board's deliberations when considering new appointments. The Company's success depends on suitably qualified candidates who are willing, and have the time, to be a director of the Company. Summary biographical details of the Directors are set out on page 20. The Company has no employees.

Social and Environmental Matters

As an investment company with no employees, property or activities outside investment, environmental policy has limited application. The Manager considers various factors when evaluating potential investments. While a company's policy towards the environment and social responsibility, including its regard for human rights, is considered as part of the overall assessment of risk and suitability for the portfolio, the Manager does not make its investment decisions on environmental and social grounds alone. The Company does not have a human rights policy, although the Manager invests in accordance with the United Nations Principles for Responsible Investment.

STRATEGIC REPORT PORTFOLIO MANAGERS' REPORT



Stuart Parks

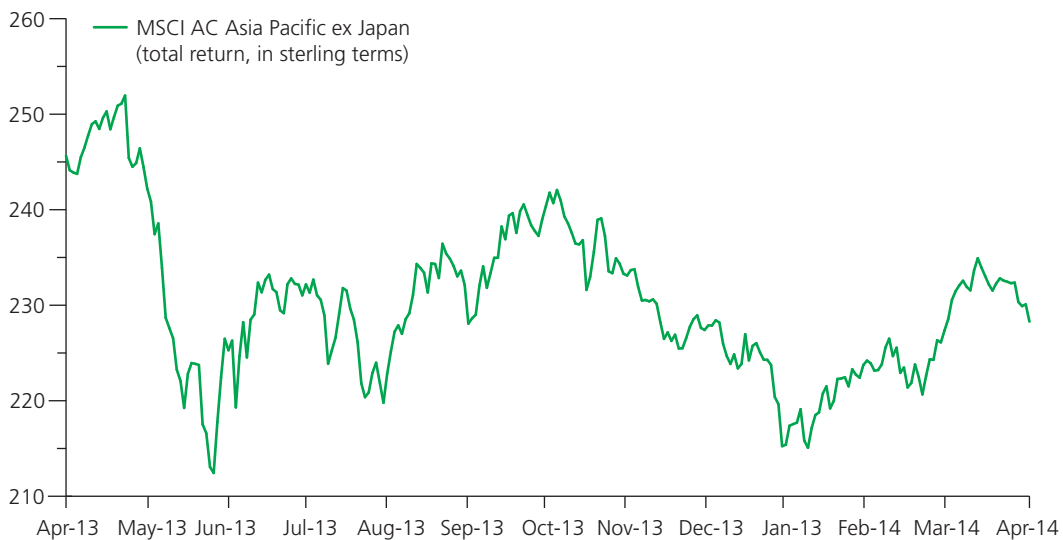


Ian Hargreaves

Market & Economic Review

It has been a challenging twelve months for Asian equity markets and currencies against an uncertain global liquidity backdrop. Asian equities sold off sharply after the US Federal Reserve (Fed) suggested and then confirmed that it would start to slow the pace of its bond purchases (QE-tapering) as the US economy continued to show signs of recovery. While equity markets have recovered from their June and December lows, lingering concerns over the strength of China's economy have been an additional concern for the region's equity markets, none of which has generated positive returns for the period, in sterling terms.

A challenging year for Asian equity markets



Source: Bloomberg LP, Total Returns (Net Dividends) in GBP, 30 April 2013 to 30 April 2014.

Macroeconomic indicators from China suggested a stabilisation of growth in the second half of 2013 and there was a marked improvement in investor sentiment towards China after the announcement of a significant reform agenda during the Third Plenum of the Chinese Communist Party's Central Committee in November. However, positive momentum for China's equity market was short lived with weaker-than-expected economic data for the first quarter of 2014. China's first quarter 2014 GDP growth slowed to 7.4% year-on-year (y-o-y) from 7.7% the previous quarter, while HSBC's manufacturing purchasing managers' index for April came in at 48.1, its fourth month of contraction. There has also been some negative newsflow surrounding debt-related issues, including concerns over a Chinese trust fund and China's first corporate bond default.

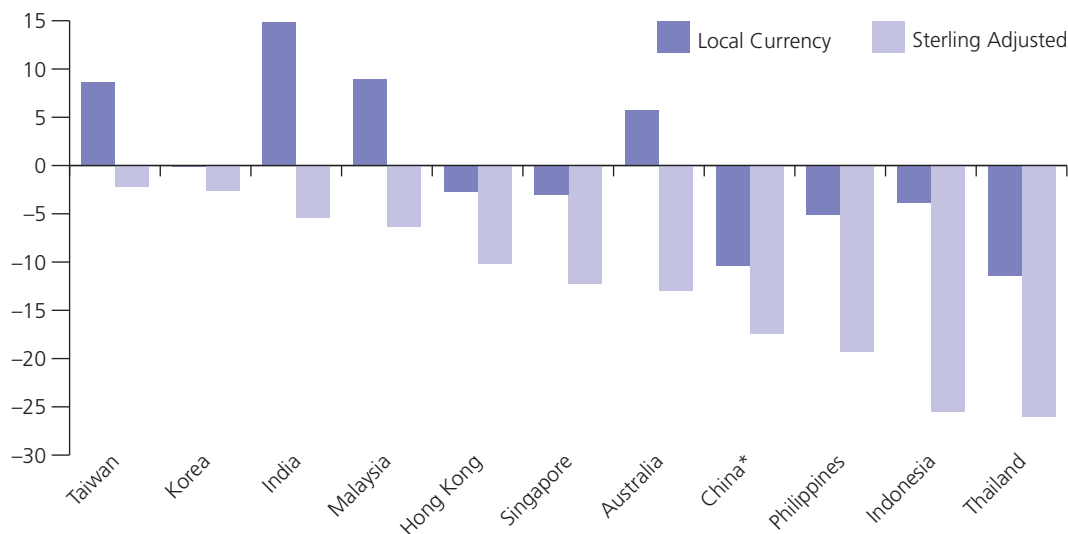
South Korea and Taiwan were the region's best performing equity markets as they were generally deemed less vulnerable to changes in the global liquidity environment. They have also benefited from further evidence of a gradual global economic recovery which has been seen as supportive for exporters to developed markets.

Conversely, South Asian equity markets and currencies were hit hardest by concerns over the impact of QE-tapering, having benefited from supportive liquidity conditions in recent years. There was a particular focus on economies with widening current account deficits such as India and Indonesia. However, the last

few months have seen improvements in the economic fundamentals of both these countries with inflation receding and current account deficits narrowing as previous interest rate rises take effect. Furthermore, elections in both countries have raised hopes that new leadership might drive forward progressive reforms and help improve the business and economic environment.

Finally, Australian markets underperformed against a background of mixed corporate earnings results and a weakening Australian dollar as investors factored in Fed tapering and a shift in the tone of commentary from the Reserve Bank of Australia which cut interest rates during the period.

Stockmarket Performance (Total Return) % – Twelve months to 30 April 2014



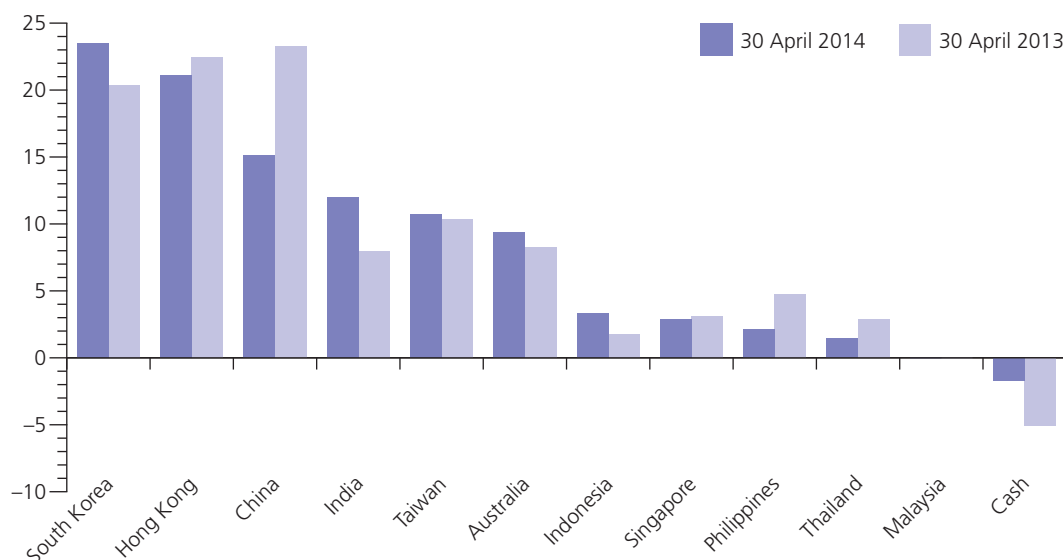
Source: Thomson Financial Datastream

* Hang Seng China Enterprises index

Company Performance

In the year to 30 April 2014, the Company's net asset value increased by 0.9% (total return, in sterling terms), ahead of the benchmark MSCI All Countries Asia Pacific ex-Japan Index, which returned -6.8% (total return, in sterling terms).

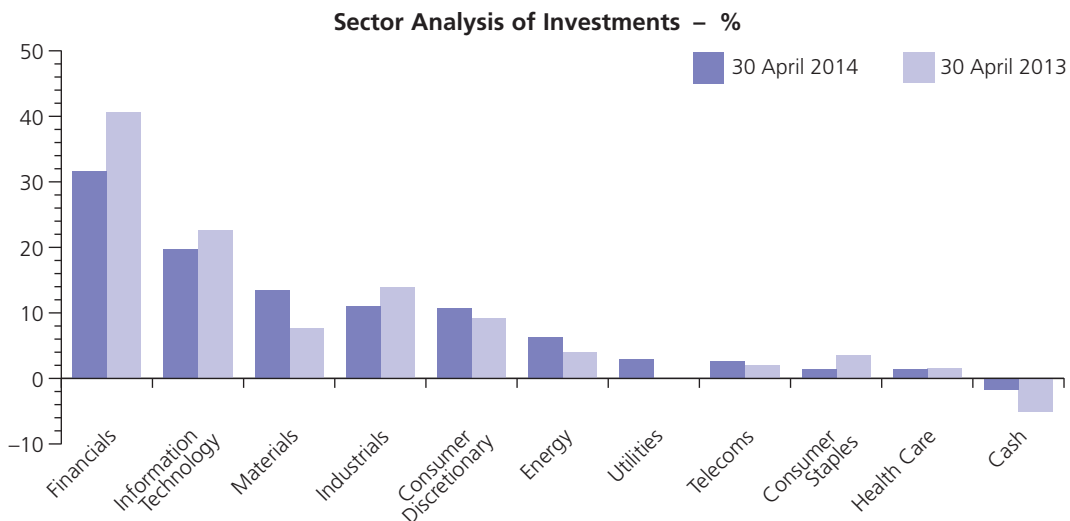
Geographical Distribution of Investments – %



Source: Invesco

STRATEGIC REPORT

PORTFOLIO MANAGERS' REPORT continued



Source: Invesco

The Company's outperformance was largely attributable to strong stock selection across a number of sectors. The biggest single contributor was its holding in the Indian agrochemical company UPL (previously known as United Phosphorus), which reported solid quarterly earnings, benefiting from rupee depreciation and strong growth in India and Latin America, with management remaining upbeat in their guidance for the year ahead. A substantial position in the IT sector also added value, with notable contributions from holdings in Chinese internet stocks. Baidu was one of the largest contributors thanks to growing market appreciation of its ability to monetise mobile traffic. In the consumer discretionary sector, our holding in Hyundai Motor preference shares added value as their discount to the ordinary share class continued to narrow, while there were positive contributions from holdings in Hyundai Mobis and Samsonite International.

Elsewhere, the portfolio's holding in Hutchison Whampoa benefited from improved earnings performance across its diverse business units (with the exception of ports). Confirmation that the group wanted to sell a stake in its retail unit AS Watson and the disposal of some real estate assets in Hong Kong also highlighted the potential for a further narrowing of its shares' discount to NAV. The holding in Korea Electric Power Corporation also contributed positively, benefiting from growing conviction that it is set to enjoy an earnings turnaround.

In financials, while selected holdings in Indian and ASEAN banks and real estate companies detracted from performance due to lingering concerns over QE-tapering and specific macro uncertainty, this was more than compensated for by strong stock selection elsewhere. Chinese online real estate company E-House saw its share price climb sharply driven by positive earnings growth momentum while an improved macroeconomic outlook in North Asia helped lift holdings in Taiwanese and Korean banks and insurers. Our limited exposure in some of the bigger Australian and Chinese banks also benefited relative returns as these areas of the market underperformed during the year.

On the other hand, notable detractors included holdings in Chinese retailers, particularly footwear retailer Daphne International after a first half profits warning due to slower than expected sales. Philippine conglomerate LT Group also detracted due to fears that its tobacco joint venture with Phillip Morris was losing market share due to illicit cigarette production by local manufacturers.

Outlook for Asian Economies and Markets

Asian economic growth has slowed, but we expect it to remain stable and be sufficiently high in 2014 to offer attractive investment opportunities. In a number of Asian countries the last few months have seen improvements in economic fundamentals, with elections in India and Indonesia raising hopes that a more progressive reform agenda will be pursued. A new reform agenda in China also provides us with grounds for optimism in the medium-term; particularly the policies and initiatives focused on allowing market forces a more decisive role in the allocation of resources, improving capital allocation and shifting income towards households. However, we expect to see some near-term volatility in equity markets given the authorities' difficult balancing act in aiming to deliver on both reform as well as their own GDP growth target of 7.5%.

Given current valuation levels for the region, which remain low relative to history and against developed equity markets, we believe that Asian equity markets have to a large extent factored in the current

macroeconomic challenges. Consensus earnings growth forecasts for Asia Pacific ex Japan are currently around 11.8% for 2014, which appears reasonable, bringing valuation levels for the region to 12.3 times 2014 expected earnings.

Strategy

We believe the portfolio remains well-balanced, with exposure to a variety of businesses that possess what we consider to be strong competitive advantages and undervalued earnings growth prospects. There have been a few small changes to the structure of the portfolio over the year, reflecting the continued adjustments that we are seeing throughout the region as the macroeconomic environment changes and Asia transitions towards a lower, more sustainable growth trend than was seen in the first decade of this millennium. In addition, we have made a conscious effort to maintain the reduced number of holdings with the aim of concentrating the portfolio upon our highest conviction ideas.

We continue to have a significant level of exposure in Hong Kong and China, but have reduced the size of the overweight position relative to the benchmark MSCI Asia Pacific ex Japan Index. While we have taken some profits from recent outperformers, we have sought to add in areas where we feel confident that earnings can exceed expectations, even in a more challenging and competitive environment. For example, we have added a position in Greatview Aseptic, China's leading supplier of aseptic packaging for dairy products. The company is enjoying strong growth in China, with plans to grow earnings by expanding capacity and taking market share from Tetra Pak, while there is further potential in European expansion. We have also added a new holding in PetroChina, which we believe is well placed to benefit from rising natural gas prices and robust demand growth in China. In turn, we have reduced exposure in holdings such as Hutchison Whampoa and Baidu, where valuations were closer to our estimate of fair value, and have sold E-House and Sohu which ran ahead of fundamentals. Elsewhere, we have reduced the level of exposure in Jardine Matheson and sold holdings such as Daphne International, real estate developer Wharf, China Taiping Insurance, China Resources Enterprise, and Digital China.

We have slightly increased the overweight position in South Korea where the Company has exposure in both large exporters and more domestically focused companies. For example, we added a new holding in Shinsegae, a department store operator that we believe is undervalued given expectations of a cyclical earnings recovery. We have also initiated a position in Korea Electric Power Corporation, which is experiencing a significant change in fundamentals with fuel costs easing, a stronger Korean won and electricity tariffs driving an improvement in earnings. Meanwhile, we continue to believe that leading exporters such as Samsung Electronics and Hyundai Motor remain undervalued, particularly given that they remain globally competitive, with an ability to gain market share and benefit from a gradual pick-up in global trade.

We have also continued to add to the overweight position in India, with new holdings in: Adani Ports & Special Economic Zone, a high quality port asset on the west coast of India with competitive advantages such as location, infrastructure and efficiencies that we believe will drive earnings above market expectations; and Glenmark Pharmaceuticals, a generic drugs company with a number of strong products in its pipeline nearing approval, which could help drive earnings and reduce debt levels over the next few years. We have also switched the holding in HDFC into HDFC Bank, which is better placed to deliver strong earnings growth as it continues to take market share from the public sector banks in India. Similarly, we have replaced our holding in Indian IT services company Infosys by Tata Consultancy Services which we believe is in a stronger competitive position and able to sustain higher earnings growth momentum thanks to its superior execution.

The portfolio remains underweight in Australia relative to the benchmark index. This is part due to the portfolio's limited exposure to Australian banks as we prefer to hold what we consider to be good quality banks that appear well placed to grow their loan books profitably in countries where credit penetration is low. However, given recent weakness in the Australian dollar we have become more positive towards the Australian equity market, and have gradually reduced the portfolio's underweight position, adding to Origin Energy and Goodman Group. Finally, the portfolio continues to have selective exposure to smaller companies (with market cap of less than US\$1 billion), which offer the opportunity to deliver superior returns being at an earlier stage in their growth cycle.

Stuart Parks and Ian Hargreaves

Portfolio Managers

The Strategic Report was approved by the Board of Directors on 1 July 2014

Invesco Asset Management Limited

Company Secretary

INVESTMENTS IN ORDER OF VALUATION

AT 30 APRIL 2014

Ordinary shares unless stated otherwise

† MSCI and Standard & Poor's Global Industry Classification Standard.

COMPANY	INDUSTRY GROUP [†]	COUNTRY	AT MARKET VALUE £'000	% OF PORT- FOLIO
Samsung Electronics – <i>Ordinary & Preference Shares</i>	Semiconductors & Semiconductor Equipment	South Korea	9,685	5.8
UPL	Materials	India	7,738	4.7
Hutchison Whampoa	Capital Goods	Hong Kong	7,215	4.3
Taiwan Semiconductor Manufacturing	Semiconductors & Semiconductor Equipment	Taiwan	5,712	3.4
Korea Electric Power Corporation	Utilities	South Korea	4,911	3.0
Hyundai Motor – <i>Preference Shares</i>	Automobiles & Components	South Korea	4,564	2.7
NetEase – <i>ADR</i>	Software & Services	China	4,466	2.7
Baidu – <i>ADR</i>	Software & Services	China	4,389	2.6
HSBC	Banks	United Kingdom	3,888	2.3
Shinhan Financial	Banks	South Korea	3,779	2.3
Top Ten Holdings			56,347	33.8
Petrochina – <i>ADR</i>	Energy	China	3,754	2.2
ICICI	Banks	India	3,668	2.2
Hon Hai Precision Industry	Technology Hardware & Equipment	Taiwan	3,636	2.2
BHP Billiton	Materials	Australia	3,625	2.2
Hyundai Mobis	Automobiles & Components	South Korea	3,436	2.1
POSCO	Materials	South Korea	3,428	2.1
Greatview Aseptic Packaging	Materials	China	3,423	2.1
AIA	Insurance	Hong Kong	3,270	2.0
Bank Negara Indonesia Persero	Banks	Indonesia	3,162	1.9
Goodpack	Transportation	Singapore	2,984	1.8
Top Twenty Holdings			90,733	54.6
Samsonite International	Consumer Durables & Apparel	Hong Kong	2,883	1.7
Cathay Pacific Airways	Transportation	Hong Kong	2,838	1.7
Origin Energy	Energy	Australia	2,825	1.7
Tata Consultancy	Software & Services	India	2,743	1.7
Industrial & Commercial Bank of China [†]	Banks	China	2,626	1.6
DGB Financial	Banks	South Korea	2,606	1.5
Jardine Matheson – <i>Singapore Reg</i>	Capital Goods	Hong Kong	2,563	1.5
HDFC Bank	Banks	India	2,474	1.5
Standard Chartered	Banks	United Kingdom	2,435	1.5
Westpac Banking	Banks	Australia	2,417	1.4
Top Thirty Holdings			117,143	70.4
E.Sun Financial – <i>Ordinary & Rights</i>	Banks	Taiwan	2,385	1.4
Kasikornbank	Banks	Thailand	2,326	1.4
Telekomunikasi Indonesia	Telecommunication Services	Indonesia	2,313	1.4
Korean Reinsurance	Insurance	South Korea	2,297	1.4
Filinvest Land	Real Estate	Philippines	2,272	1.4
China Life Insurance – <i>Taiwan</i>	Insurance	Taiwan	2,153	1.4
China Mobile ^R	Telecommunication Services	China	2,131	1.4
LG Fashion	Consumer Durables & Apparel	South Korea	2,068	1.2
Far Eastern New Century	Capital Goods	Taiwan	2,054	1.2
Qingling Motors [†]	Automobiles & Components	China	2,048	1.2
Top Forty Holdings			139,190	83.8

COMPANY	INDUSTRY GROUP [†]	COUNTRY	AT MARKET VALUE £'000	% OF PORT- FOLIO
CNOOC ^R	Energy	China	1,962	1.2
Goodman	Real Estate	Australia	1,935	1.2
Adani Ports & Special Economic Zone	Transportation	India	1,795	1.1
United Overseas Bank	Banks	Singapore	1,764	1.1
Cheung Kong	Real Estate	Hong Kong	1,752	1.1
Pacific Basin Shipping	Transportation	Hong Kong	1,626	1.0
Shinsegae	Retailing	South Korea	1,618	1.0
HKR International	Real Estate	Hong Kong	1,615	1.0
China Shenhua Energy ^H	Energy	China	1,604	1.0
Australia & New Zealand Banking	Banks	Australia	1,581	1.0
Top Fifty Holdings			156,442	94.5
Yageo	Technology Hardware & Equipment	Taiwan	1,563	0.9
QBE Insurance	Insurance	Australia	1,420	0.7
LT Group	Food, Beverage & Tobacco	Philippines	1,256	0.7
Glenmark Pharmaceuticals	Pharmaceuticals, Biotechnology & Life Sciences	India	1,205	0.6
Mindray Medical International – ADR	Health Care Equipment & Services	China	1,124	0.6
Charm Communications – ADR	Media	Hong Kong	1,011	0.6
Newcrest Mining	Materials	Australia	914	0.6
Wumart Stores ^H	Food & Staples Retailing	China	643	0.4
Treasury Wine Estates	Food, Beverage & Tobacco	Australia	442	0.3
Dart Energy	Energy	Australia	138	0.1
Total holding of 60 (2013: 63)			166,158	100.0

ADR: American Depositary Receipts – are certificates that represent shares in the applicable stock and are issued by a US bank. They are denominated and pay dividends in US dollars.

H: H-Shares – shares issued by companies incorporated in the People's Republic of China (PRC) and listed on the Hong Kong Stock Exchange.

R: Red Chip Holdings – holdings in companies incorporated outside the PRC, listed on the Hong Kong Stock Exchange, and controlled by PRC entities by way of direct or indirect shareholding and/or representation on the board.

CLASSIFICATION OF INVESTMENTS BY COUNTRY/SECTOR

AT 30 APRIL

	2014		2013	
	AT VALUATION £'000	% OF PORTFOLIO	AT VALUATION £'000	% OF PORTFOLIO
Australia				
Consumer Staples	442	0.3	808	0.4
Energy	2,963	1.8	78	–
Financials	7,353	4.3	9,039	4.4
Materials	4,539	2.8	6,262	3.0
	15,297	9.2	16,187	7.8
China				
Consumer Discretionary	2,048	1.2	2,048	1.0
Consumer Staples	643	0.4	4,219	2.0
Energy	7,320	4.4	7,667	3.7
Financials	2,626	1.6	8,053	3.9
Health Care	1,124	0.6	2,969	1.5
Information Technology	8,855	5.3	13,793	6.7
Materials	3,423	2.1	191	0.1
Telecommunication Services	2,131	1.4	4,042	2.0
	28,170	17.0	42,982	20.9
Hong Kong				
Consumer Discretionary	3,894	2.3	5,599	2.8
Financials	6,637	4.1	11,843	5.9
Industrials	14,242	8.5	20,047	9.8
	24,773	14.9	37,489	18.5
India				
Financials	6,142	3.7	8,605	4.2
Health Care	1,205	0.6	–	–
Industrials	1,795	1.1	–	–
Information Technology	2,743	1.7	2,668	1.3
Materials	7,738	4.7	4,271	2.1
	19,623	11.8	15,544	7.6
Indonesia				
Financials	3,162	1.9	3,362	1.6
Telecommunication Services	2,313	1.4	–	–
	5,475	3.3	3,362	1.6
Philippines				
Consumer Staples	1,256	0.7	1,856	0.9
Financials	2,272	1.4	7,380	3.6
	3,528	2.1	9,236	4.5
Singapore				
Energy	–	–	1,799	0.9
Financials	1,764	1.1	51	–
Industrials	2,984	1.8	2,748	1.3
Information Technology	–	–	1,506	0.7
	4,748	2.9	6,104	2.9

	2014		2013	
	AT VALUATION £'000	% OF PORTFOLIO	AT VALUATION £'000	% OF PORTFOLIO
South Korea				
Consumer Discretionary	11,686	7.0	10,463	5.0
Financials	8,682	5.2	11,806	5.7
Information Technology	9,685	5.8	13,399	6.5
Materials	3,428	2.1	4,260	2.1
Utilities	4,911	3.0	–	–
	38,392	23.1	39,928	19.3
Taiwan				
Financials	4,538	2.8	4,641	2.2
Industrials	2,054	1.2	2,741	1.3
Information Technology	10,911	6.5	12,938	6.3
	17,503	10.5	20,320	9.8
Thailand				
Financials	2,326	1.4	5,647	2.7
	2,326	1.4	5,647	2.7
Other				
Financials	6,323	3.8	9,084	4.4
	6,323	3.8	9,084	4.4
Total	166,158	100.0	205,883	100.0

DIRECTORS


**Carol Ferguson
(Chairman)**

Appointed 10 March 2009 and Chairman on 8 August 2013

Carol is Chairman of BlackRock Greater Europe Investment Trust plc. She is a non-executive director of Standard Life Smaller Companies Investment

Trust plc, Monks Investment Trust plc and Vernalis plc. She is also a former chairman of the Association of Investment Companies. She is a member of the Institute of Chartered Accountants of Scotland, a former member of Council of ICAS and a non-executive director of the Chartered Accountants Compensation Scheme Ltd (UK). Her investment and financial experience include positions at Ivory and Sime investment managers and Wood Mackenzie stockbrokers, where she was a partner and lead oil analyst and, subsequently, at The Times newspaper where she was a financial journalist.

She is also Chairman of the Nomination and Remuneration Committees


Tom Maier

Appointed 10 March 2009

Tom was the chief investment officer of Carlton Capital Partners until January 2011. A graduate from the Imperial College of Science and Technology, he joined Baring Asset

Management (formerly Henderson Baring Management) in 1982. Over his 24-year career with the company, he managed a broad range of investment mandates from Hong Kong, Tokyo and London, specialising in global asset allocation. In 2001, he also became head of alternative investments, reporting to the chief investment officer, until his departure in 2006.


Owen Jonathan

Appointed 1 March 2013

Owen is currently senior advisor to the Global Executive Committee of Norton Rose Fulbright where he advises on global strategy and risk. Between 1983 and 1994 he was a Partner at its predecessor firm, Norton

Rose. From 1994 to 2000 he held the positions of Deputy Chief Executive and subsequently Chief Executive of the Hong Kong publicly listed South China Morning Post. From 1994 to 1997 he was also General Counsel to the Kuok Group, one of Asia's largest family-owned conglomerates. In 2000 he joined PricewaterhouseCoopers LLP as General Counsel where he was a member of the firm's Executive Board for over ten years, retiring in December 2012.


James Robinson

Appointed 3 January 2007

James was chief investment officer, investment trusts and director of hedge funds at Henderson Global Investors prior to his retirement in 2005. A chartered accountant, he

has 32 years investment experience and is a director of Aberdeen New Thai Investment Trust plc, Fidelity European Values plc, JPMorgan Elect plc, Montanaro UK Smaller Companies Investment Trust plc and chairman of Polar Capital Global Healthcare Growth and Income Trust plc. He is also a council member and chairman of the Investment Committee of the British Heart Foundation.

He is Chairman of the Audit and Management Engagement Committees.

All Directors are members of the Audit, Management Engagement, Remuneration and Nomination Committees.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2014

Introduction

The Directors present their report for the year ended 30 April 2014.

Business and Status

The Company was incorporated and registered in England and Wales on 19 January 1995 as a public limited company, registered number 03011768. It is an investment company as defined by section 833 of the Companies Act 2006 and operates as an investment trust within the meaning of the Corporation Tax Act 2010 and the Investment Trust (Approved Company) (Tax) Regulations 2011. HM Revenue & Customs have approved the Company's status as an investment trust and, in the opinion of the Directors, the Company has conducted its affairs so as to enable it to maintain such approval.

Tender Offer

In the 2013 annual financial report, the Board proposed a tender offer (subject to necessary shareholder approval) for up to 15% of the Company's issued share capital, at a 2% discount to NAV after deduction of the costs of the tender, if the Company's shares traded over the year to 30 April 2014 at an average discount of more than 10% to NAV (fully diluted, ex income). As the average discount over the year to 30 April 2014 was 9.8%, no tender offer has been sought at the forthcoming AGM.

As explained in the Chairman's Statement, the Board has concluded that it would be in shareholders' interests to extend the discount control arrangement to the year ending 30 April 2015.

Life of the Company

The Company's Articles of Association require that every three years the Directors propose an ordinary resolution to release them from the obligation to wind up the Company, or they must put forward proposals to wind up the Company. As shareholders voted to release the Directors from the obligation to wind up the Company at the 2013 AGM, the next resolution in respect of this will be at the 2016 AGM.

Going Concern

The financial statements have been prepared on a going concern basis. The Directors consider this is the appropriate basis as they have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, being taken as 12 months after signing the balance sheet. In considering this, the Directors took into account the diversified portfolio of readily realisable securities which can be used to meet short-term funding commitments; the ability of the Company to meet all of its liabilities and ongoing expenses from its assets; and revenue forecasts for the forthcoming year.

The Manager

Investment Management Agreement

Invesco Asset Management Limited acts as Manager to the Company under an investment management agreement dated 2 June 1995, subsequently revised on 14 July 1997 and 28 January 2004. The agreement is terminable by either party by giving not less than six months' written notice. The management fee is payable quarterly in arrears and is equal to 0.75% per annum of the value of the Company's total assets less current liabilities (including any short-term borrowings) under management at the end of the relevant quarter. The assets for this purpose exclude the value of any investments in other funds managed by the Manager.

The Manager also provides secretarial and administrative services for which it receives a fee. Details of this are included in note 4.

It is expected that a new investment management agreement will be entered into in the coming year in connection with the implementation of AIFMD. Further details are set out both in the Chairman's Statement, and on the next page.

DIRECTORS' REPORT

continued

The Manager's Responsibilities

The Directors have delegated to the Manager the responsibility for the day-to-day investment management activities of the Company, for seeking and evaluating investment opportunities and for analysing the accounts of the investee companies. The Manager has full discretion to manage the assets of the Company in accordance with the Company's stated objectives and policies as determined from time to time by the Board. Within the guidelines specified by the Board, the Manager has discretion to make purchases and sales, make and withdraw cash deposits, enter into underwriting commitments and exercise all rights over the investment portfolio. The Manager also advises on currency exposures and borrowings.

In addition, the Manager provides full administration, company secretarial and accounting services to the Company, ensuring that the Company complies with all legal and regulatory requirements and officiating at Board meetings and shareholders' meetings. The Manager maintains complete and accurate records of the Company's investment transactions and portfolio and all monetary transactions, from which the Manager prepares interim management statements, half-yearly and annual financial reports on behalf of the Company.

Assessment of the Manager

The Management Engagement Committee comprises the entire Board of Directors. The Committee specifically considers the ongoing investment management, secretarial and administrative requirements of the Company. These are assessed with reference to key performance indicators, with emphasis on performance relative to that of the MSCI All Countries Asia Pacific ex Japan Index and the Company's peer group. The quality and timeliness of reports to the Board is also taken into account and the overall conduct of the Company's affairs by the Manager is considered.

Based on its recent review, and taking into account the performance of the portfolio, the other services provided by the Manager, and the risk and governance environment in which the Company operates, the Board believes that the continuing appointment of Invesco Asset Management Limited remains in the best interests of the Company and its shareholders.

Social and Environmental Policies

As an investment trust company with no employees, property or activities outside investment, environmental and social policies as well as community issues have limited application.

The Manager considers various factors when evaluating potential investments. Some are financial ratios and measures, such as free cash flow, earnings per share and price-to-book value. Others are more subjective indicators which rely on first-hand research; for example, quality of management, innovation and product strength. The Company's policy is that, subject to an overriding requirement to pursue the best financial interests of the Company, the Manager should take account of social, environmental and ethical factors in making and holding investments and in the use of voting powers conferred by such investments.

The Company is able to supply documents or information to shareholders in electronic form (e.g. by e-mail) or by means of a website. This delivers environmental benefits through the reduced use of paper and of the energy required for its production and distribution.

Directors

Directors' Interests in Shares

The Directors' interests in the ordinary share capital of the Company are disclosed in the Directors' Remuneration Report on page 36.

Disclosable Interests

No Director was a party to, or had any interests in, any contract or arrangement with the Company at any time during the year or at the year end. The Company has entered into a Deed of Indemnity with each Director, as expanded upon below.

Conflicts of Interest

The Companies Act 2006 sets out directors' general duties. A director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the company's interests.

The Articles of Association of the Company give the Directors authority to approve such situations and include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

The Directors have advised the Company of any potential conflicts of interest. The Register of Potential Conflicts of Interests is kept in the registered office of the Company. It is reviewed regularly by the Board and the Directors will advise the Company Secretary as soon as they become aware of any potential conflicts of interest. Directors who have potential conflicts of interest will not take part in any discussions which relate to any of their potential conflicts.

Directors' Indemnities and Insurance

The Company maintains Directors' and Officers' liability insurance which provides appropriate cover for any legal action brought against its Directors. In addition, deeds of indemnity have been executed on behalf of the Company for each of the Directors under the Company's Articles of Association.

Subject to the provisions of UK legislation, these deeds provide that the Directors may be indemnified out of the assets of the Company in respect of liabilities they may sustain or incur in connection with their appointment.

Share Capital

Capital Structure, including Share Buy Backs

The Company has the authority to issue new shares and to buy back shares into treasury or for cancellation.

During the year the Company bought back and cancelled 15,886,669 ordinary shares under a tender offer. A further 1,165,648 ordinary shares were bought back and cancelled under the authority granted by shareholders. These buy backs resulted in an enhancement to NAV of £449,609 (0.31%). At the year end the issued share capital consisted of 88,859,369 ordinary shares and 3,277,224 treasury shares. At the year end the Company's remaining shareholder authority to buyback shares was 15,201,770 ordinary shares.

Rights Attaching to the Ordinary Shares

Under the Company's Articles of Association, shares in the Company may be issued with such rights or restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company may from time to time by ordinary resolution determine (or, in the absence of any such determination, as the Directors may determine).

At a general meeting of the Company every member has one vote on a show of hands and on a poll one vote for each ordinary share held. The notice of general meeting specifies deadlines for exercising voting rights either by proxy or present in person in relation to resolutions to be passed at a general meeting.

DIRECTORS' REPORT

continued

Restrictions on Transfers

The Directors may refuse to register any transfer of any ordinary share which is not a fully paid share, although such discretion may not be exercised in a way which the Financial Conduct Authority regards as preventing dealings in the ordinary class from taking place on an open or proper basis. The Directors may likewise refuse to register any transfer of an ordinary share in favour of more than four persons jointly.

The Company is not aware of any other restrictions on the transfer of ordinary shares in the Company other than certain restrictions that may from time to time be imposed by laws and regulations (for example insider trading laws). The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or voting rights.

Substantial Holdings in the Company

The Company had been notified of the following holdings of 3% and over of the Company's issued ordinary share capital carrying unrestricted voting rights:

FUND MANAGER/REGISTERED HOLDER	AS AT 31 MAY 2014		AS AT 30 APRIL 2014	
	SHARES	%	SHARES	%
City of London Investment Management	19,035,303	21.4	19,035,303	21.4
Lazard Asset Management	14,275,956	16.1	13,709,988	15.4
Derbyshire County Council Pension Fund	7,480,000	8.4	7,480,000	8.4
1607 Capital Partners	4,117,762	4.6	4,433,662	5.0
Rathbones	3,738,494	4.2	3,738,494	4.2
BAE Systems Pensions	3,623,658	4.1	3,623,658	4.1
Wells Capital Management	3,511,806	4.0	3,279,324	3.7
Scottish Widows	3,170,283	3.6	3,155,383	3.6

Corporate Governance

The Corporate Governance Statement on pages 27 to 31 forms part of this Directors' Report.

Greenhouse Gas Emissions

The Company has no employees or premises and does not purchase electricity, heat, steam or cooling for its own use. Accordingly, the quantifiable amount of carbon dioxide equivalent produced by the Company annually is zero tonnes.

Individual Savings Account (ISA)

The ordinary shares of the Company are qualifying investments under applicable ISA regulations.

Special Business at the Annual General Meeting (AGM)

Shareholders will find on page 59 the notice of the forthcoming AGM of the Company to be held on 7 August 2014. In addition to the ordinary business of the meeting, the following resolutions are proposed as special business and are summarised below.

Ordinary Resolution 7 is to renew the Directors' authority to allot shares. Your Directors are seeking authority to allot new ordinary shares up to an aggregate nominal value of £921,365 (10% of the Company's issued share capital at 1 July 2014). This will allow Directors to issue shares within the prescribed limits should opportunities to do so arise that they consider would be in shareholders' interests. This authority will expire at the AGM in 2015.

Special Resolution 8 is to renew the authority to disapply pre-emption rights. Your Directors are asking for authority to issue new ordinary shares for cash up to an aggregate nominal value of £460,682 (5% of the Company's issued share capital as at 1 July 2014), disapplying pre-emption rights. This will allow shares to be issued to new shareholders without them first having to be offered to existing shareholders, thus broadening the shareholder base of the Company. This authority will not be exercised at a price below NAV so the interests of existing shareholders are not diluted and will expire at the AGM in 2015.

Special Resolution 9 is to renew the authority for the Company to purchase its own ordinary shares. Your Directors are seeking authority to purchase up to 13,811,275 ordinary shares (14.99% of the Company's issued ordinary share capital as at 1 July 2014), subject to the restrictions referred to in the notice of the AGM. This authority will expire at the AGM in 2015. Your Directors are proposing that ordinary shares bought back by the Company either be cancelled or, alternatively, be held as treasury shares with a view to their resale, if appropriate, or later cancellation. Any resale of treasury shares will only take place on terms that are in the best interest of shareholders.

Special Resolution 10 seeks shareholder authority to convert, subject to approval by the Court, the share premium account into a distributable reserve. The Company will use this reserve to fund any future tender offers and share buy backs; it will not be used to fund revenue account dividend distributions. Full details are contained in the circular dated 1 July 2014.

Special Resolution 11 is to permit the Company to hold general meetings (other than annual general meetings) on 14 days notice, which is the minimum notice period permitted by the Companies Act 2006. The EU Shareholder Rights Directive increases the minimum notice period to 21 days unless two conditions are met. The first condition is that the Company offers facilities for shareholders to vote by electronic means. The second condition is that there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 days to 14 days, hence this resolution being proposed. It is intended that the flexibility will be used only where the Board believes it is in the interests of shareholders as a whole.

By order of the Board

Invesco Asset Management Limited

Company Secretary

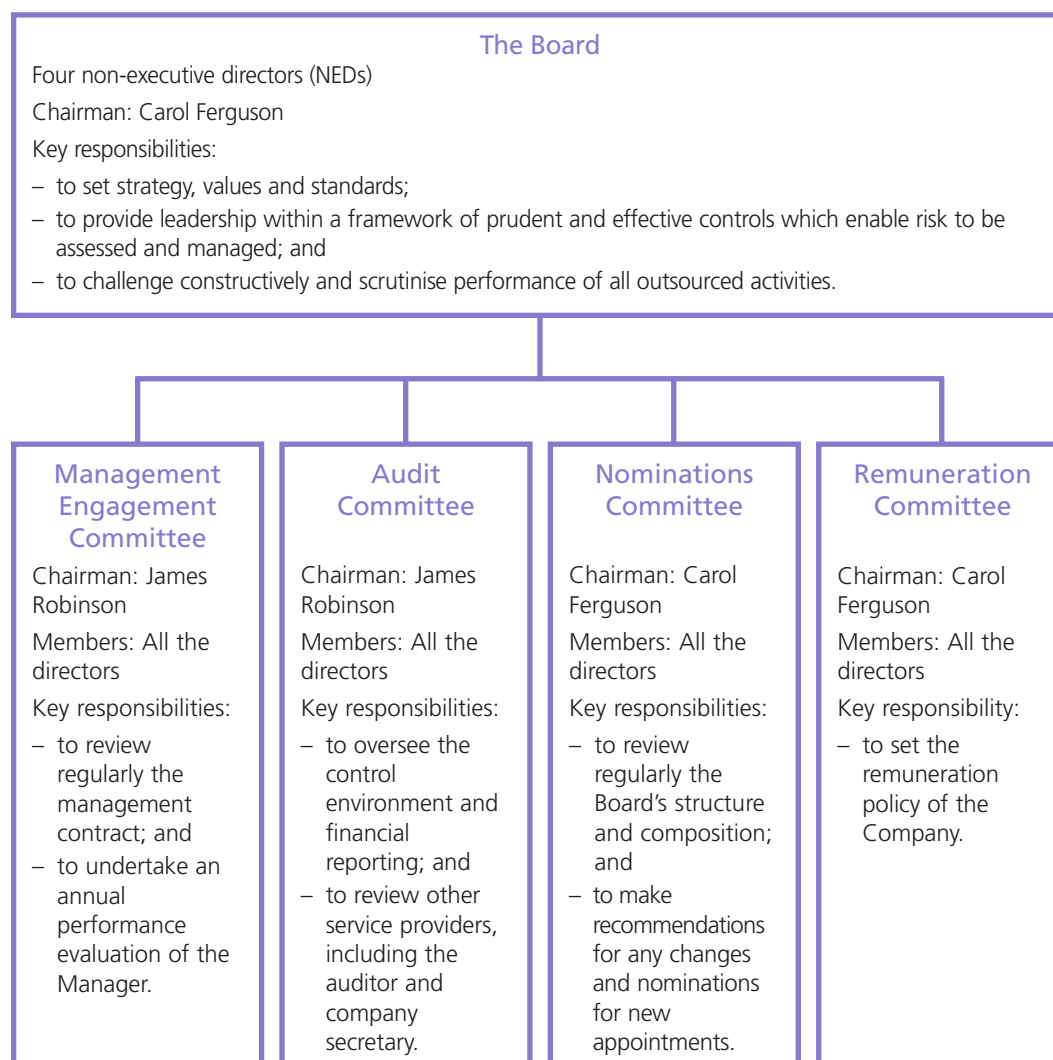
1 July 2014

THE COMPANY'S GOVERNANCE FRAMEWORK

AT 30 APRIL 2014

The Board and Committees

Responsibility for good governance lies with the Board. The governance framework of the Company reflects the fact that as an Investment Company it has no employees and outsources investment management to the Manager and administration to the Manager and other external service providers.



The Portfolio Managers

Stuart Parks is based in Henley-on-Thames and is Head of Asian Equities at Invesco Perpetual. He began his investment career in 1985 at Wood MacKenzie as a UK financial stocks analyst. From 1990 onwards Stuart has specialised in the Asian equity markets. In the first instance, he joined London Life as a Far Eastern fund manager before gaining further exposure to the region with Swiss Bank Portfolio Management International and GAN Fund Managers. He joined Invesco in 1994 and became the portfolio manager of our Company in 2004.

Ian Hargreaves manages pan-Asian portfolios alongside Stuart Parks and covers the entire Asian region in his remit. He started his investment career with Invesco Asia Pacific in Hong Kong in 1994 as an investment analyst where he was responsible for coverage of Indonesia, Korea and the Indian sub-continent, as well as managing several regional institutional client accounts. Ian returned to the UK to join Invesco Perpetual's Asian Equities team in 2005, working with Stuart on the portfolio as part of the investment team and was appointed as joint portfolio manager in 2011.

CORPORATE GOVERNANCE STATEMENT

This Corporate Governance Statement forms part of the Directors' Report.

Corporate Governance Principles

The Board is committed to maintaining the highest standards of Corporate Governance and is accountable to shareholders for the governance of the Company's affairs.

The Board of Invesco Asia Trust plc has considered the principles and recommendations of the latest AIC Code of Corporate Governance (AIC Code) by reference to the AIC Corporate Governance Guide for Investment Companies (AIC Guide). The AIC Code, as explained by the AIC Guide, addresses all the principles set out in the latest UK Corporate Governance Code (UK Code), as well as setting out additional principles and recommendations on issues that are of specific relevance to Invesco Asia Trust plc.

The AIC Code is available from the Association of Investment Companies website (www.theaic.co.uk). The UK Code is available from the Financial Reporting Council website (www.frc.org.uk).

The Board considers that reporting against the principles and recommendations of the AIC Code, and by reference to the AIC Guide (which incorporates the UK Code), will provide better information to shareholders.

The Company has complied with the recommendations of the AIC Code and the relevant provisions of the UK Code, except as set out below.

The UK Code includes provisions relating to:

- the role of the chief executive;
- executive directors' remuneration; and
- the need for an internal audit function.

For the reasons set out in the AIC Guide, and as explained in the UK Code, the Board considers these provisions are not relevant to the position of Invesco Asia Trust plc, being an externally managed investment company. In particular, all of the Company's day-to-day management and administrative functions are outsourced to third parties, whilst the Manager has its own internal audit function. The Company has therefore not reported further in respect of these provisions.

The terms of reference for the Board and the Audit Committee are reviewed and updated periodically to bring them in line with latest best practice and to ensure compliance with the AIC Code. The Company's corporate governance procedures are considered regularly by the Board and amended as necessary.

The Board

Independence

The Board currently consists of four non-executive Directors, all of whom the Board regards as independent.

Chairman

The Chairman of the Board is Carol Ferguson, following the retirement of David Hinde at the conclusion of the 2013 AGM. She has been a member of the Board since 2009.

Senior Independent Director

The Board does not consider it necessary to identify a senior independent director. All the Directors are available to shareholders if they have concerns which contact through the normal channels of Chairman, Manager or Company Secretary has failed to resolve or for which such contact is inappropriate.

Board Balance

The Directors have a range of business, financial and asset management skills and experience relevant to the direction and control of the Company. Brief biographical details of members of the Board are shown on page 20.

CORPORATE GOVERNANCE STATEMENT

continued

Nominations Committee

All the Directors are members of the Nomination Committee. Carol Ferguson is the Chairman of the committee following the retirement of David Hinde. The main responsibilities of the Nomination Committee are to review the size, structure and skills of the Board and to make recommendations with regard to any changes considered necessary or new appointments. The Nomination Committee has written terms of reference which are reviewed regularly and clearly define its responsibilities and duties. They will be available for inspection at the AGM and can be inspected at the registered office of the Company as well as on the Manager's website.

The Committee is also responsible for identifying and nominating to the Board suitable candidates taking into consideration the above requirements and the following: the ability of any new director to devote sufficient time to the Company to carry out his or her own duties effectively; and with due regard for the benefits of diversity (including gender). The Board has not set any measurable objectives in this respect.

No Director has a contract of employment with the Company. Directors' terms and conditions of appointment are set out in letters of appointment which are available for inspection on the Manager's website, at the registered office of the Company and will be available at the AGM. The Articles of Association require that each Director shall retire and be subject to election at the first AGM after appointment and re-election at least every three years thereafter. No Director serves a term of more than three years before re-election.

Appointment, Re-election and Tenure of Directors

Tom Maier was elected at the Company's AGM in 2012 and will therefore stand for re-election in 2015. James Robinson was re-elected at the Company's AGM in 2013 and will therefore stand for re-election in 2016, as will Owen Jonathan who joined the board in 2013 and was elected at the AGM in the same year. Carol Ferguson was re-elected at the Company's 2012 AGM and under the Articles is not due for re-election until 2015, however, she has volunteered to stand a year early for re-election at the forthcoming AGM.

The normal tenure of office will be for three terms of three years, except that the Board may determine otherwise if it is considered that the director remains independent and their continued membership of the Board is in the best interests of the Company and its shareholders. In this case, a Director serving longer than nine years will seek re-election annually.

Board, Committees and Directors' Performance Appraisal

The Directors recognise the importance of the AIC Code's recommendations in respect of evaluating the performance of the Board as a whole, of the respective Committees and of individual Directors. Performance of the Board, Committees and Directors has been assessed informally during the year in terms of:

- attendance at Board and Committee meetings, for which there has been a very good record throughout the year;
- the independence of individual Directors;
- the ability of Directors to make effective contributions to the Board and Committees through the range and diversity of skills experience and knowledge each Director brings to their roles; and
- the Board's ability to challenge the Manager's recommendations, suggest areas of debate and set the future strategy of the Company.

The Board used the findings and feedback from their previous evaluation as the basis for an informal review and update of performance during the year and have concluded that the Board and Committees of the Board are collectively scoring satisfactorily in all areas. The Directors are confident in their ability to continue to make effective contributions and to demonstrate commitment to their respective roles.

Attendance at Board and Committee Meetings

All Directors are considered to have a good attendance record at Board and Committee meetings of the Company. The following table sets out the number of Directors' meetings held during the year and the attendance of individual Directors:

Meeting:	BOARD	AUDIT COMMITTEE	MANAGEMENT ENGAGEMENT COMMITTEE	REMUNERATION COMMITTEE
Number of Meetings Held:	5	3	2	1
Meetings Attended:				
Carol Ferguson	5	3	2	1
Owen Jonathan	5	3	2	1
Tom Maier	5	3	2	1
James Robinson	5	3	2	1

Apart from the meetings detailed above, there were a number of meetings held by a Committee of the Board to deal with other items, as and when required.

Remuneration Committee

All Directors are members of the Remuneration Committee, of which Carol Ferguson is the Chairman. The main responsibility is to determine the remuneration policy of the Company and the individual remuneration of each Director. The Committee has written terms of reference which are available for inspection at the AGM and can be inspected at the registered office as well as on the Manager's website.

Details of the Company's policy on remuneration and of payments to Directors are given in the Directors' Remuneration Report on pages 34 to 36.

Board Responsibilities

Directors have a duty to promote the success of the Company taking into consideration the likely consequences of any decision in the long-term; the need to foster the Company's business relationships with its Manager and advisers; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between shareholders of the Company. The Directors are equally responsible for promoting the success of the Company by directing and supervising its affairs within a framework of effective controls which enable risk to be assessed and managed. In addition, the Directors are responsible for ensuring that their policies and operations are in the best interests of all of the Company's shareholders and that the interests of creditors and suppliers to the Company are properly considered.

The Board is committed to the prevention of corruption in the conduct of the Company's affairs and taking account of the nature of the Company's business and operations, has put in place procedures that the Board considers adequate to prevent persons associated with it from engaging in bribery for and on behalf of the Company.

A formal schedule of matters reserved for decision by the Board and detailing the responsibilities of the Board has been established. The main responsibilities include: setting the Company's objectives, policies and standards; ensuring that the Company's obligations to shareholders and others are understood and complied with; approving accounting policies and dividend policy; managing the capital structure; setting long-term objectives and strategy; assessing risk; reviewing investment performance; approving loans and borrowing; and controlling risks. The schedule of matters reserved for decision by the Board will be available for inspection at the AGM and is otherwise available at the registered office of the Company and on the Manager's website.

Supply of Information

To enable the Directors of the Board to fulfil their roles, Directors have timely access to all relevant management, financial and regulatory information.

CORPORATE GOVERNANCE STATEMENT

continued

On being appointed to the Board, Directors are fully briefed as to their responsibilities and are regularly provided throughout their terms in office with all necessary information on industry and regulatory matters. The Manager and the Board have formulated a programme of induction training for newly appointed Directors. They have also put arrangements in place to address ongoing training requirements of Directors, including briefings from key members of the Manager's staff which ensure that Directors can keep up to date with new legislation and changing risks.

The Board meets on a regular basis five times each year and additional meetings are arranged as necessary. Regular contact is maintained between the Manager, the Chairman and the other Directors between formal meetings. Board meetings follow a formal agenda, which includes a review of the investment portfolio with a report from the Manager on the current investment position and outlook, strategic direction, performance against stock market indices and the Company's peer group, asset allocation, gearing policy, cash management, revenue forecasts for the financial year, marketing and shareholder relations, corporate governance, regulatory changes and industry and other issues. To enable the Directors to fulfil their roles, Directors have timely access to all relevant management, financial and regulatory information.

There is an agreed procedure for Directors, in the furtherance of their duties, to take legal advice at the Company's expense up to an initial cost of £10,000, having first consulted the Chairman.

Internal Controls and Risk Management

The Directors acknowledge that they are responsible for the Company's systems of internal financial and non-financial controls which have been in place throughout the year and up to the date of this report. The effectiveness of the Company's operations has been reviewed, and the control systems codified to facilitate regular monitoring and management of risks and to facilitate regular review by the Audit Committee.

The Company's internal controls and risk management systems have been reviewed with the Manager against risk parameters approved by the Board.

The Board reviews financial reports and performance against revenue forecasts, stock market indices and the Company's peer group. In addition, the Manager and Custodian maintain their own systems of internal controls and the Board and Audit Committee receive regular reports from the Manager's Internal Audit and Compliance Departments. Formal reports are also produced on the internal controls and procedures in place for secretarial and administrative, custodial, investment management and accounting activities and are reviewed annually by the Board.

The control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risk of failure to achieve business objectives. The Directors consider that these procedures enable the Company to comply with the Financial Reporting Council's Internal Control: Revised Guidance for Directors on the Combined Code.

Accountability and Audit

The Directors' responsibilities for the Company's accounting records and financial statements are set out on page 37. The Independent Auditor's Report appears on pages 38 to 40.

Audit Committee

The composition and activities of the Audit Committee are set out in the Chairman of the Audit Committee's Report on pages 32 and 33, and are included in this report by reference.

Management Engagement Committee

The Board is considered small for the purposes of the AIC Code and all the Directors are members of the Management Engagement Committee under the Chairmanship of James Robinson. The Management Engagement Committee has written terms of reference which clearly define its responsibilities and duties. They will be available for inspection at the AGM and can be inspected on the Manager's website and at the registered office of the Company. The Committee meets annually to review the investment management agreement with the Company's Manager and to review the services provided by the Manager.

A statement of Invesco Asset Management Limited's responsibilities as Manager and Administrator of the Company and the assessment of the Manager by the Management Engagement Committee is detailed on page 22.

Company Secretary

The Board has direct access to the advice and services of the Company Secretary, Invesco Asset Management Limited. The Secretary is responsible for ensuring that the Board and Committee procedures are followed and that all applicable regulations are observed. The Company Secretary is also responsible for ensuring the timely delivery of information and reports and that the statutory obligations of the Company are met.

Stewardship

The Board considers that the Company has a responsibility as a shareholder towards ensuring that high standards of Corporate Governance are maintained in the companies in which it invests. The Company's stewardship functions have been delegated to the Manager, who exercises the Company's voting rights and the Manager has adopted a clear and considered policy towards its responsibility as a shareholder on behalf of the Company. As part of this policy, the Manager takes steps to satisfy itself about the extent to which the companies in which it invests look after shareholder value and comply with local recommendations and practices, such as the UK Corporate Governance Code. A copy of the Manager's Policy on Corporate Governance and Stewardship can be found at www.invescoperpetual.co.uk.

Relations with Shareholders

Shareholder relations are given high priority by both the Board and the Manager. The prime medium by which the Company communicates with shareholders is through the half-yearly and annual financial reports which aim to provide shareholders with a full understanding of the Company's activities and results. This information is supplemented by the daily calculation of the net asset value of the Company's ordinary shares, which is published via the Stock Exchange, and in a monthly factsheet and six monthly interim management statements. A presentation is made by the Manager following the business of the AGM each year. Shareholders have the opportunity to address questions to the Chairman and the Chairmen of the Committees of the Board at the AGM. All shareholders are encouraged to attend the AGM.

There is regular dialogue between the Manager and individual major shareholders to discuss aspects of investment performance, governance and strategy and to listen to shareholder views in order to help to develop a balanced understanding of their issues and concerns. In addition, the Company retains the services of Edison Investment Research, a marketing and research specialist that broadens the awareness of the Company's activities across a spectrum of regionally-based discretionary wealth managers. General presentations to both institutional shareholders and analysts follow the publication of the annual financial results. All meetings between the portfolio managers and institutional and other shareholders are reported to the Board. It is the intention of the Board that the annual financial report be issued to shareholders so as to provide 20 working days' notice of the AGM. Shareholders wishing to lodge questions in advance of the AGM are invited to do so, either on the reverse of the proxy card or in writing to the Company Secretary at the address given on the AGM notice. At other times the Company responds to letters from shareholders on a range of issues.

Shareholders can also visit the Manager's investment trust website in order to access copies of annual and half-yearly financial reports, shareholder circulars, interim management statements, Company factsheets and Stock Exchange Announcements. Shareholders can also access various Company reviews and information such as an overview of Asian equities and the Company's share price. Finally, shareholders are able to access copies of the Schedule of Matters Reserved for the Board, Terms of Reference of the Committees of the Board and, following any shareholders' general meetings, proxy voting results.

By order of the Board

Invesco Asset Management Limited

Company Secretary

1 July 2014

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 30 APRIL 2014

The Audit Committee comprise all the Directors under the Chairmanship of James Robinson. Committee members consider that, collectively, they are appropriately experienced to fulfil the role required. The Committee has written terms of reference which clearly define its responsibilities and duties and are in compliance with the AIC Code. The terms of reference set out the Audit Committee's role and authority and will be available for inspection at the AGM and can be inspected at the registered office of the Company as well as viewed on the Manager's website.

Audit Committee Responsibilities and Activities

The committee met three times during the year and the main duties undertaken included:

- a review of the Company's risk control summary matrix and consideration of the completeness of the identified risks, the probability of their occurrence and the residual effect on the Company after taking account of controls. These controls included controls established by the Board as well as operational controls exercised by the Manager and the Company's other external service providers;
- consideration of the Manager's internal control systems and risk management systems and their effectiveness;
- consideration of the scope of work undertaken by the Manager's internal audit and compliance departments, together with reviews of the Company's procedure for detecting fraud and the Manager's whistleblowing arrangements;
- consideration of the annual and half-yearly financial reports ensuring compliance with relevant statutory and listing requirements; appropriateness of accounting policies applied; any financial judgements and key assumptions; and disclosures made therein in relation to internal controls and risk management, and going concern;
- advice to the Board on whether the annual report as a whole is fair, balanced and understandable and provides the necessary information for shareholders to assess the Company's performance, business model and strategy; and
- management of the relationship with the external auditor. This included: the scope, nature and planning of the audit; discussion of matters for audit focus; evaluation of the results identified in the auditor's reports; consideration of the scope, effectiveness, independence and objectivity of their audit; recommendation to the Board in respect of the auditor's reappointment and for the terms of their audit engagement.

Representatives of the auditor attend the Committee meeting at which the draft annual financial report is reviewed and are given the opportunity to speak to Committee members without the presence of representatives of the Manager. The Committee met with representatives of the Manager and received reports on the quality and effectiveness of the accounting records and management information maintained on behalf of the Company and the systems of internal controls in place. Representatives of the Manager's Compliance and Internal Audit Departments provide reports and attend at least two Committee meetings each year, one meeting being prior to approval and signature of the annual financial report.

Accounting Matters and Significant Issues

The table below describes the significant issues considered by the Audit Committee in relation to the financial statements for the year ended 30 April 2014, and how these were addressed.

SIGNIFICANT ISSUE	HOW ADDRESSED
Accuracy of the portfolio valuation	Actively traded listed investments are valued using stock exchange prices provided by third party pricing vendors.
Misappropriation of the Company's investments or cash	During the year holdings are reconciled by the Manager to the custodian records on a daily basis. The Committee reviewed the Manager's and custodian's annual internal control reports; these are both reported on by an independent external accountant. At the financial year end the portfolio positions are checked as part of the independent auditor's work on the financial statements.
The use of the going concern basis of accounting	The Company has a tender offer mechanism in place that could potentially impact its viability in the long term if there were to be repeated tenders. The Board currently has a reasonable expectation that the Company will continue in the long term, and therefore the accounts have been prepared on a going concern basis.

SIGNIFICANT ISSUE	HOW ADDRESSED
Income recognition	Revenue projections are monitored during the year to ensure income is complete and correctly accounted for, with emphasis on any special dividends and their inclusion in revenue or capital.

These matters were discussed with the Manager and the auditor prior to the year end audit plan, and were satisfactorily addressed through consideration of reports provided by, and discussed with, the Manager and the auditor at the conclusion of the audit process. There were no significant matters arising from the audit that needed to be brought to the Board's attention.

Consequently, and following a thorough review process of the draft 2014 annual financial report, the Audit Committee advised the Board that the report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

The Chairman of the Audit Committee will be present at the AGM to answer any questions relating to the annual financial report.

Review of the External Auditor, including Non-Audit Services and Re-appointment

The provision of non-audit services is considered by the Committee on a case-by-case basis, and consideration is given as to whether the skills and experience of the auditor make them a suitable supplier of such services and to ensure that there is no resultant threat to the objectivity and independence of the audit. Non-audit fees for the year to 30 April 2014 were £12,000 in respect of taxation advisory services. The Committee does not believe that this has impaired the auditor's independence and objectivity. Non-audit services up to £5,000 do not require approval in advance of the Audit Committee; amounts in excess of this require the approval of the Audit Committee.

Grant Thornton UK LLP (including in its predecessor form of Robson Rhodes) has been the auditor of the Company since 2007 and the required five year audit partner rotation falls due for the year ended 30 April 2016. The Committee has reviewed the changes to the UK Corporate Governance and AIC Codes including the provision for FSTE 350 companies to put the external audit out to tender at least every ten years, and also the new EU legislation that potentially requires mandatory rotation of the auditor every ten years, but with both UK and transitional flexibility. In light of these and as a non-FTSE 350 company, and following the satisfactory outcome of the Committee's regular review of auditor effectiveness, performance and independence, the Committee has concluded that it does not need to initiate a tendering process at this time, but will continue to keep the situation under review. The Committee has accordingly recommended to the Board a resolution proposing the reappointment of Grant Thornton UK LLP at the forthcoming AGM.

Audit Information

The Directors confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditor is unaware, and each Director has taken steps that he or she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Internal Controls and Risk Management

The Committee assessed the risk arising in relation to the Company's operations and identified the controls exercised to mitigate them by the Board and its delegates – the Manager and other service providers. These are recorded in the Company's risk matrix which monitors the Company's risks and effectively highlights the principal risks, details of which are provided in the Strategic Report. Systems are in operation to safeguard the Company's assets, to maintain proper accounting records and to ensure that financial information is reliable. Throughout the year, and where possible to coincide with the year end, the Committee reviewed internal control reports of the Manager, accounting administrator, custodian and registrar. These reviews identified no issues of significance arising during the year. The Committee received a satisfactory report on the Manager's internal operations from the Manager's Compliance and Internal Audit Officers, and no significant issues were brought to the attention of the Committee by these officers.

Internal Audit

Due to the nature of the Company, being an externally managed investment company with no executive employees, and in view of the Manager having an internal audit function, the Company does not have its own internal audit function.

James Robinson, *Chairman of the Audit Committee*
1 July 2014

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 30 APRIL 2014

This report has been prepared under the requirements of the Large and Medium-sized Companies and Group (Accounts and Reports) (Amendments) Regulations 2013 and in accordance with the Listing Rules of the Financial Conduct Authority. Ordinary resolutions for the approval of the Directors' Remuneration Policy (binding) and the Chairman's Annual Statement on Directors' Remuneration (advisory) will be put to shareholders at the forthcoming Annual General Meeting.

The Company's auditor is required to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such in this report. The independent auditor's opinion is included on pages 38 to 40.

Remuneration Committee

All Directors are members of the Remuneration Committee under the Chairmanship of Carol Ferguson. Details of the Remuneration Committee, including responsibilities and terms of reference, are contained within the Corporate Governance section on page 29.

Directors' Remuneration Policy

Fees for directors are determined by the Board within the limits stated in the Company's Articles of Association (Articles). The Articles limit the aggregate fees payable to £150,000 per annum. Any change to this limit would require shareholder approval by special resolution.

The remuneration policy is that the remuneration of directors should be fair and reasonable in relation to the duties, responsibilities and time commitment of directors; be sufficient to retain and motivate appointees, as well as ensure that candidates of a high calibre are recruited to the Board but not be more than necessary for the purpose; and be comparable to that of other similar investment trusts. Furthermore the remuneration of directors will also take into consideration any committee memberships and chairmanship duties, as well as taking into account the views, where raised and appropriate, of shareholders.

In addition to fees, directors are entitled to be reimbursed for any reasonable expenses properly incurred by them in the performance of their duties. Directors are not eligible for bonuses, pension benefits, share options or other incentives or benefits. Directors are not entitled to exit payments or any compensation for loss of office. Directors do not have service contracts. Directors are appointed under letters of appointment, copies of which are available for inspection at the registered office of the Company.

Notwithstanding the above, the Company's Articles also provide that additional discretionary payments can be made for services which, in the opinion of the Directors, are outside the scope of the ordinary duties of a Director.

The level of directors' remuneration is reviewed annually, although such review will not automatically result in any changes.

This remuneration policy will apply to any new directors, who will be paid the appropriate fee based on the directors' fees level in place at the date of appointment.

The Board may amend the level of remuneration paid to directors within the parameters of the Directors' Remuneration Policy.

This Directors' Remuneration Policy is the same in all material respects as that currently followed by the Board and summarised in the last Directors' Remuneration Report. This policy is intended to take effect immediately upon its approval by shareholders.

The Company has no employees and consequently has no policy on the remuneration of employees.

Chairman's Annual Statement on Directors' Remuneration

For the year to 30 April 2014, the Directors were paid fees at the rates shown in the table below. These rates have remained at this level since 1 November 2010.

Prior to the year end, the Remuneration Committee reviewed Directors' remuneration taking into consideration the increasing demands and accountability of the current corporate governance and regulatory environment and the additional workload that each Director has and will continue to experience. In addition, the Committee reviewed directors' fees paid by comparable investment trusts, as provided by the Manager, as well as other relevant research requested by the Board. The Board did not use the services of an external remuneration consultant.

As a result, fees were revised with effect from 1 May 2014 as shown in the following table. The same fees will apply to any new appointments.

	FEES FROM 1 MAY 2014 (P.A.)	FEES FROM 1 NOVEMBER 2010 (P.A.)	CHANGE
Chairman	£30,000	£26,000	£4,000
Audit Committee Chairman	£25,000	£22,000	£3,000
Other Directors	£22,000	£20,000	£2,000

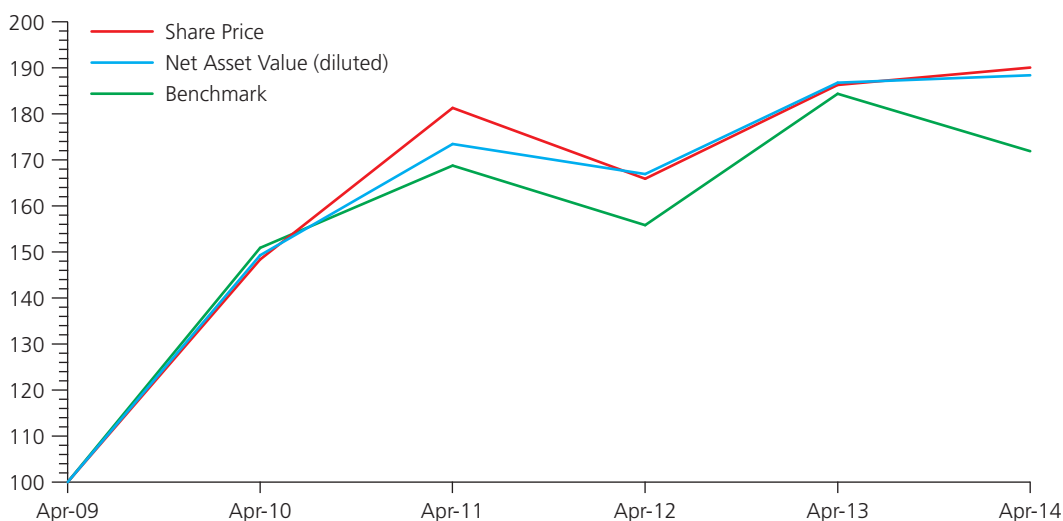
No additional discretionary payments were made in the year, or in the previous year.

Report on Remuneration for the Year Ended 30 April 2014

The Company's Performance

The graph below plots, in annual increments, the net asset value total return and share price total return to ordinary shareholders compared to the total return of the MSCI All Countries Asia Pacific ex Japan Index (expressed in sterling) over the five years to 30 April 2014. This index is the benchmark adopted by the Company for comparison purposes.

Figures have been rebased to 100 at 30 April 2009.



DIRECTORS' REMUNERATION REPORT

continued

Directors' Emoluments for the Year (Audited)

The Directors who served during the year received the following total emoluments, all of which were in the form of fees:

	2014 £	2013 £
Carol Ferguson (Chairman of the Board from 8 August 2013)	24,073	20,000
James Robinson (Chairman of the Audit Committee)	22,000	22,000
Tom Maier	20,000	20,000
Owen Jonathan	20,000	3,333
David Hinde (Retired 8 August 2013)	7,040	26,000
Total	93,113	91,333

Directors' Shareholdings and Share Interests (Audited)

The beneficial interests of the Directors in the ordinary share capital of the Company are set out below:

	30 APRIL 2014	30 APRIL 2013
Carol Ferguson	60,000	25,000
James Robinson	12,000	12,000
Owen Jonathan	10,000	10,000
Tom Maier	8,080	8,080

Save as aforesaid, no Director had any interests, beneficial or otherwise, in the ordinary shares of the Company during the year. No changes to these holdings have been notified since the year end. No connected person interests have been notified.

Directors hold shares in the Company at their discretion. Share ownership is encouraged, but no guidelines have been set.

Relative Importance of Spend on Pay

The Company has no employees. The following table compares the remuneration paid to the non-executive Directors with aggregate distributions to shareholders in the year to 30 April 2014 (excluding the tender offer) and the prior year:

	2014 £'000	2013 £'000	CHANGE £'000
Total Directors' Emoluments	93	91	2
Total Shareholder Distributions	3,389	2,981	408
Total Costs of Shares Bought Back	1,858	6,838	4,980

Voting at Last Annual General Meeting

At the Annual General Meeting of the Company held on 8 August 2013 an advisory resolution was put to shareholders to approve the remuneration report set out in the 2013 annual financial report. This resolution was passed on a show of hands. The proxy votes registered in respect of the resolution were: For 72,523,682 (99.97%); Against 21,518 (0.03%); and Withheld 22,520.

Approval

This Directors' Remuneration Report was approved by the Board of Directors on 1 July 2014.

Carol Ferguson

Chairman

Signed on behalf of the Board of Directors

STATEMENT OF DIRECTORS' RESPONSIBILITIES in respect of the preparation of the annual financial report

The Directors are responsible for preparing the annual financial report in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under the law the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records which are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and which enable them to ensure that the financial statements comply with the Companies Act 2006 (CA 2006). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, a Directors' Report, a Directors' Remuneration Report and a Corporate Governance Statement that comply with that law and those regulations.

In so far as each of the Directors is aware:

- there is no relevant audit information of which the Company's Auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditor is aware of that information.

This information is given and should be interpreted in accordance with provision s418 of CA 2006.

The Directors of the Company each confirm to the best of their knowledge that:

- the financial statements, prepared in accordance with UK Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and net return of the Company;
- this annual financial report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces; and
- they consider that this annual financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Carol Ferguson

Chairman

Signed on behalf of the Board of Directors

1 July 2014

Electronic Publication

The annual financial report is published on www.invescopetual.co.uk/investmenttrusts which is a website maintained by the Company's Manager. The work carried out by the Auditor does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditor accepts no responsibility for any changes that have occurred to the financial statements since they were initially presented on the website. Visitors to the website need to be aware that legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT

to the Members of Invesco Asia Trust plc

We have audited the financial statements of Invesco Asia Trust plc (the 'Company') for the year ended 30 April 2014 which comprise the Income Statement, the Reconciliation of Movement in Shareholders' Funds, the Balance Sheet, the Cash Flow Statement, the Reconciliation of Cash Flow to Movement in Net Debt, and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 37, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/apb/scope/private.cfm.

Auditor commentary

An overview of the scope of our audit

Our audit approach was based on a thorough understanding of the Company's business and is risk-based. The day-to-day management of the Company's investment portfolio, the custody of its investments and the maintenance of the Company's accounting records is outsourced to third-party service providers. Accordingly, our audit work is focussed on obtaining an understanding of, and evaluating, internal controls at the Company and relevant third party service providers. This included a review of reports on the description, design and operating effectiveness of internal controls at relevant third party service providers. We undertook substantive testing on significant transactions, account balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls over individual systems and the management of specific risks.

Our application of materiality

We apply the concept of materiality in planning and performing our audit, in evaluating the effect of any identified misstatements and in forming our opinion. For the purpose of determining whether the financial statements are free from material misstatement we define materiality as the magnitude of a misstatement or an omission from the financial statements or related disclosures that would make it probable that the judgement of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

We established materiality for the financial statements as a whole to be £1,689,000 which is 1% of the Company's total assets. For the Income Statement we determined that misstatements for a lesser amount than materiality for the financial statements as a whole would make it probable that the judgement of a reasonable person, relying on the information, would have been changed or influenced by the misstatement or omission. Accordingly, we established materiality for the revenue column of the Income Statement to be £422,000.

We have determined the threshold at which we communicate misstatements to the Audit Committee to be £84,000. In addition, we communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

Our assessment of risk

Without modifying our opinion, we highlight the following matters that are, in our judgement, likely to be most important to users' understanding of our audit. Our audit procedures relating to these matters were designed in the context of our audit of the financial statements as a whole, and not to express an opinion on individual transactions, balances or disclosures.

Investments

The Company's business is investing in listed equity securities of Asian (ex Japan) and Australasian companies to provide long-term capital growth. Accordingly, the investment portfolio is a significant, material item in the financial statements. We therefore identified the recognition and measurement of the investment portfolio is a risk that requires particular audit attention.

Our audit work included, but was not restricted to, understanding management's process to recognise and measure investments including ownership of those investments, obtaining a confirmation of investments held at the year end directly from the independent custodian, testing the reconciliation of the custodian records to the records maintained by the Company's administrator, testing a selection of investment additions and disposals shown in the Company's records to supporting documentation and agreeing the valuation of quoted investments to an independent source of market prices.

The Company's accounting policy on the valuation of quoted investments is included in note 1(c), and disclosures about investments held at the year end are included in note 9.

Investment income

Investment income is the Company's major source of revenue and a significant, material item in the Income Statement. Accordingly, we identified the recognition of income from investments as a risk that requires particular audit attention.

Our audit work included, but was not restricted to, assessing whether the Company's accounting policy for revenue recognition is in accordance with United Kingdom Generally Accepted Accounting Practice, obtaining an understanding of management's process to recognise revenue in accordance with the stated accounting policy, testing whether a sample of income transactions has been recognised in accordance with the policy, and for a sample of investments held in the year confirming that income that should have been received has been received and recorded and assessing whether any of the dividends should have been treated as capital receipts.

The Company's accounting policy on the recognition of income is shown in note 1(d) and the components of that revenue are included in note 2.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2014 and of its net return for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Other reporting responsibilities

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006; and
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITOR'S REPORT

continued

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the ISAs (UK and Ireland), we are required to report to you if, in our opinion, information in the annual report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Company acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the annual report is fair, balanced and understandable, and whether the annual report appropriately discloses those matters that were communicated to the audit committee which we consider should have been disclosed.

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Under the Listing Rules we are required to review:

- the Directors' statement, set out on page 21, in relation to going concern; and
- the part of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the UK Corporate Governance Code specified for our review.

Marcus Swales *Senior Statutory Auditor*
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants,
London
1 July 2014

INCOME STATEMENT

FOR THE YEAR ENDED 30 APRIL

	NOTES	2014			2013		
		REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL RETURN £'000	REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL RETURN £'000
(Losses)/gains on investments	9	–	(2,281)	(2,281)	–	17,236	17,236
Gains/(losses) on foreign currency revaluation		–	41	41	–	(869)	(869)
Income	2	4,547	–	4,547	4,557	–	4,557
Investment management fee	3	(311)	(933)	(1,244)	(339)	(1,016)	(1,355)
Other expenses	4	(539)	(6)	(545)	(538)	(11)	(549)
<hr/>							
Return before finance costs and taxation		3,697	(3,179)	518	3,680	15,340	19,020
Finance costs	5	(21)	(64)	(85)	(35)	(106)	(141)
<hr/>							
Return on ordinary activities before tax		3,676	(3,243)	433	3,645	15,234	18,879
Tax on ordinary activities	6	(344)	–	(344)	(317)	–	(317)
<hr/>							
Net return on ordinary activities after tax for the financial year		3,332	(3,243)	89	3,328	15,234	18,562
<hr/>							
Return per ordinary share:							
Basic	7	3.6p	(3.5p)	0.1p	3.3p	15.0p	18.3p
Diluted	7	n/a	n/a	n/a	3.2p	14.9p	18.1p

The total return column of this statement represents the Company's profit and loss account prepared in accordance with UK Accounting Standards. The supplementary revenue and capital columns are prepared in accordance with the Statement of Recommended Practice issued by the Association of Investment Companies. All items in the above statement derive from continuing operations and the Company has no other gains or losses, therefore no statement of total recognised gains and losses is presented. No operations were acquired or discontinued in the year.

The accompanying notes are an integral part of these financial statements.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS FOR THE YEAR ENDED 30 APRIL

	SHARE CAPITAL £'000	SHARE PREMIUM £'000	CAPITAL REDEMPTION RESERVE £'000	SPECIAL RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
At 30 April 2012	9,493	75,457	2,042	9,287	63,135	5,327	164,741
Interim dividend – note 8	–	–	–	–	–	(2,980)	(2,980)
Net return for the year	–	–	–	–	15,234	3,328	18,562
Exercise of subscription shares into ordinary shares	(176)	176	–	–	–	–	–
Net proceeds from issue of ordinary shares on conversion of subscription shares	1,765	20,278	–	–	–	–	22,043
Shares bought back and held in treasury/ cancelled	(163)	–	163	(6,838)	–	–	(6,838)
At 30 April 2013	10,919	95,911	2,205	2,449	78,369	5,675	195,528
Final dividend – note 8	–	–	–	–	–	(3,389)	(3,389)
Net return for the year	–	–	–	–	(3,243)	3,332	89
Tender offer	(1,589)	–	1,589	(2,449)	(24,952)	–	(27,401)
Shares bought back and cancelled	(116)	–	116	–	(1,858)	–	(1,858)
At 30 April 2014	9,214	95,911	3,910	–	48,316	5,618	162,969

The accompanying notes are an integral part of these financial statements.

BALANCE SHEET

AT 30 APRIL

	NOTES	2014 £'000	2013 £'000
Fixed assets			
Investments designated at fair value	9	166,158	205,883
Current assets			
Debtors	10	1,390	1,020
Cash at bank		1,348	944
		2,738	1,964
Creditors: amounts falling due within one year	11	(5,927)	(12,319)
Net current liabilities		(3,189)	(10,355)
Total net assets		162,969	195,528
Capital and reserves			
Share capital	12	9,214	10,919
Share premium	13	95,911	95,911
Other reserves:			
Capital redemption reserve	13	3,910	2,205
Special reserve	13	–	2,449
Capital reserve	13	48,316	78,369
Revenue reserve	13	5,618	5,675
Total Shareholders' funds		162,969	195,528
Net asset value per ordinary share			
Basic	14	183.4p	184.6p

These financial statements were approved and authorised for issue by the Board of Directors on 1 July 2014.

Carol Ferguson*Chairman**Signed on behalf of the Board of Directors*

The accompanying notes are an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL

	NOTES	2014 £'000	2013 £'000
Cash inflow from operating activities	15(a)	2,545	1,870
Servicing of finance	15(b)	(85)	(143)
Taxation		–	–
Capital expenditure and financial investment	15(b)	36,159	(17,119)
Dividends paid	8	(3,389)	(2,980)
<hr/>			
Net cash inflow/(outflow) before management of liquid resources and financing		35,230	(18,372)
Financing	15(b)	(34,817)	19,174
<hr/>			
Increase in cash in the year		413	802

RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET DEBT

FOR THE YEAR ENDED 30 APRIL

	NOTES	2014 £'000	2013 £'000
Increase in cash in the year		413	802
Cash outflow/(inflow) from movement in debt		5,558	(3,969)
<hr/>			
Change in net funds/(debt) resulting from cash flows		5,971	(3,167)
Exchange differences		41	(869)
<hr/>			
Movement in net funds/(debt) in the year		6,012	(4,036)
Net debt at beginning of year		(9,995)	(5,959)
<hr/>			
Net debt at end of year	15(c)	(3,983)	(9,995)

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2014

1. Accounting Policies

Accounting policies describe the Company's approach to recognising and measuring transactions during the year and the position of the Company at the year end.

A summary of the principal accounting policies, all of which have been consistently applied throughout this and the preceding year is set out below:

(a) Basis of Preparation

Accounting Standards Applied

The financial statements have been prepared under the historical cost convention, except for the measurement at fair value of investments, and in accordance with applicable United Kingdom Accounting Standards and with the Statement of Recommended Practice (SORP) 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies in January 2009.

(b) Foreign currency

(i) *Functional and presentation currency*

The financial statements are presented in sterling, which is the Company's functional and presentation currency and the currency in which the Company's share capital and expenses, as well as its assets and liabilities, are denominated.

(ii) *Transactions and balances*

Transactions in foreign currency, whether of a revenue or capital nature, are translated to sterling at the rates of exchange ruling on the dates of such transactions. Foreign currency assets and liabilities are translated to sterling at the rates of exchange ruling at the balance sheet date. Any gains or losses, whether realised or unrealised, are taken to the capital reserve or to the revenue account, depending on whether the gain or loss is of a capital or revenue nature. All gains and losses are recognised in the income statement.

(c) Financial instruments

(i) *Recognition of financial assets and financial liabilities*

The Company recognises financial assets and financial liabilities when the Company becomes a party to the contractual provisions of the instrument. The Company offsets financial assets and financial liabilities in the financial statements if the Company has a legally enforceable right to set off the recognised amounts and interests and intends to settle on a net basis.

(ii) *Derecognition of financial assets*

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or it transfers the right to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in the transferred financial asset that is created or retained by the Company is recognised as an asset.

(iii) *Derecognition of financial liabilities*

The Company derecognises financial liabilities when its obligations are discharged, cancelled or expired.

(iv) *Trade date accounting*

Purchases and sales of financial assets are recognised on trade date, being the date on which the Company commits to purchase or sell the assets.

NOTES TO THE FINANCIAL STATEMENTS

continued

1. Accounting Policies (continued)

(c) Financial instruments (continued)

(v) *Classification and measurement of financial assets and financial liabilities**Financial assets*

The Company's investments are designated at fair value through profit or loss as the investments are managed and their performance evaluated on a fair value basis in accordance with documented investment strategy, and this is also the basis on which information about the investments is provided internally to the Board. Financial assets held at fair value through profit or loss are initially recognised at fair value, which is taken to be their cost, with transaction costs expensed in the income statement, and are subsequently valued at fair value.

Fair value for investments that are actively traded in organised financial markets, is determined by reference to stock exchange quoted bid prices at the balance sheet date. For investments that are not actively traded and where active stock exchange quoted bid prices are not available, fair value is determined by reference to a variety of valuation techniques including broker quotes and price modelling.

Financial liabilities

Financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method.

(d) Income

All dividends are taken into account on the date investments are marked ex-dividend, and UK dividends are shown net of any associated tax credit. Where the Company elects to receive dividends in the form of additional shares rather than cash, the equivalent of the cash dividend is recognised as income in the revenue account and any excess in value of the shares received over the amount of the cash dividend is recognised in capital. Interest income and expenses are accounted for on an accruals basis. Other income from investments is accounted for on an accruals basis. Deposit interest receivable is accounted for on an accruals basis.

(e) Expenses and finance costs

Expenses are recognised on an accruals basis and finance costs are recognised using the effective interest method in the income statement.

The investment management fee and finance costs are allocated 75% to capital and 25% to revenue. This is in accordance with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the portfolio.

All other expenses (with the exception of custodian transaction charges) are allocated to revenue in the income statement.

(f) Dividends

Dividends are not recognised in the accounts unless there is an obligation to pay at the balance sheet date. Proposed final dividends are recognised in the period in which they are either approved by or paid to shareholders.

(g) Taxation

The liability to corporation tax is based on net revenue for the period. The tax charge is allocated between the revenue and capital account on the marginal basis whereby revenue expenses are matched first against taxable income in the revenue account.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax or a right to pay less tax in the future have occurred. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements. Deferred taxation assets are recognised where, in the opinion of the Directors, it is more likely than not that these amounts will be realised in future periods.

A deferred tax asset has not been recognised in respect of surplus management expenses as the Company is unlikely to have sufficient future taxable revenue to offset against these.

2. Income

This note shows the income generated from the portfolio (investment assets) of the Company and income received from any other source.

	2014 £'000	2013 £'000
Income from investments		
Overseas dividends	3,753	3,985
Scrip dividends	306	140
UK dividends	381	267
Special dividends – overseas	107	165
Total dividend income	4,547	4,557

3. Investment Management Fee

This note shows the investment management fee due to the Manager which is calculated and paid quarterly.

	2014			2013		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Investment management fee	311	933	1,244	339	1,016	1,355

Details of the investment management and secretarial agreement are given on page 21 in the Directors' Report. At 30 April 2014, £298,000 was due for payment in respect of the management fee (2013: £367,000).

4. Other Expenses

The other expenses of the Company are presented below; those paid to the Directors and the auditor are separately identified.

	2014			2013		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Directors' fees (i)	93	–	93	91	–	91
Auditor's fees (ii):						
– for audit of the financial statements	24	–	24	24	–	24
– for other services relating to taxation (iii)	12	–	12	12	–	12
Other expenses (iv)	410	6	416	411	11	422
	539	6	545	538	11	549

- (i) Directors' fees authorised by the Articles of Association are £150,000 per annum. The Directors' Remuneration Report provides further information on Directors' fees for the year. Included within other expenses is £7,000 (2013: £8,000) of employer's national insurance payable on Directors fees. As at 30 April 2014, the amounts outstanding on Director's fees and employer's national insurance was £8,000 (2013: £10,000).
- (ii) Auditor's fees are shown net of VAT.
- (iii) Auditor's fees for other services include £6,000 (2013: £6,000) for tax compliance and £6,000 (2013: £6,000) for fees in respect of recovery of Taiwanese withholding tax.
- (iv) Other expenses include a separate fee paid to the Manager for secretarial and administrative services which is subject to annual adjustment in line with the UK Retail Price Index. During the year the Company paid £84,000 (2013: £81,000) for these services. Custodian transaction charges of £6,000 (2013: £11,000) have been charged to capital.

NOTES TO THE FINANCIAL STATEMENTS

continued

5. Finance Costs

Finance costs arise on any borrowing the Company has which for this Company is a £20 million revolving credit facility (see more in note 12).

	2014			2013		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Overdraft interest	1	2	3	1	2	3
Interest on term loan	20	62	82	34	104	138
	21	64	85	35	106	141

6. Tax on Ordinary Activities

As an investment trust the Company pays no tax on capital gains. The Company suffers no tax on income arising on UK and certain overseas dividends. The Company's tax charge arises solely from irrecoverable tax on overseas (generally non-EU) dividends. This note also clarifies the basis for the Company having no deferred tax liability.

(a) Analysis of charge for the year

	2014			2013		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Overseas tax	344	–	344	317	–	317

The overseas tax charge consists of irrecoverable withholding tax.

(b) Reconciliation of the tax charge for the year

	2014 £'000	2013 £'000
Total return on ordinary activities before taxation	433	18,879
Theoretical tax at UK Corporation tax rate of 22.8% (2013: 23.9%)	99	4,516
Effects of:		
Non-taxable losses/(gains) on investments	521	(4,123)
Non-taxable (gains)/losses on foreign currency revaluation	(9)	208
Non-taxable overseas dividends	(872)	(993)
Non-taxable UK dividends	(87)	(64)
Non-taxable scrip dividends	(70)	(33)
Effect of overseas tax	344	317
Expenses not allowed	1	3
Expenses in excess of taxable income	417	486
Total tax charge for the year	344	317

Given the Company's status as an investment trust, and the intention to continue meeting the conditions required to obtain the necessary approval in the foreseeable future, the Company has not provided any UK corporation tax on any realised or unrealised capital gains or losses arising on investments.

(c) Factors that may affect future tax charges

The Company has excess management expenses and loan relationship deficits of £8,250,000 (2013: £6,442,000) that are available to offset future taxable revenue. A deferred tax asset of £1,650,000 (2013: £1,482,000), measured at the standard corporation tax rate of 20% (2013: 23%), has not been recognised in respect of these expenses since they are recoverable only to the extent that the Company has sufficient future taxable revenue which they may be set against.

7. Return per Ordinary Share

Return per share is the amount of gain generated for the financial year divided by the weighted average number of ordinary shares in issue.

	2014 £'000	2013 £'000
Return per ordinary share is based on the following:		
Revenue return	3,332	3,328
Capital return	(3,243)	15,234
Total return	89	18,562

	2014	2013
Weighted average number of ordinary shares in issue during the year:		
– basic	93,873,305	101,744,195
– dilutive potential shares arising from subscription shares	n/a	619,906
– diluted	n/a	102,364,101

The subscription shares were all exercised in 2013, so there is no dilution in 2014. For 2013, the diluted return per ordinary share is based on the weighted average number of ordinary shares in issue during the year, as adjusted in accordance with the requirements of FRS22 'Earnings per Share'. In calculating the diluted return, the exercise of all the subscription shares has been assumed, with the exercise proceeds of 125p per share being used to purchase ordinary shares at a price of 139.16p, being the average market price up to the subscription share exercise date.

8. Dividends on Ordinary Shares

Dividends represent the return of income less expenses to shareholders. The Company pays one dividend a year.

Dividends on shares paid in the year:

	2014		2013	
	PENCE	£'000	PENCE	£'000
Final/interim dividend in respect of previous year	3.20	3,389	3.20	2,981
Unclaimed dividends in respect of prior years	–	–	–	(1)
	3.20	3,389	3.20	2,980

Dividend on shares payable in respect of the current year:

	2014		2013	
	PENCE	£'000	PENCE	£'000
Final dividend proposed	3.45	3,066	3.20	3,389

An interim dividend was declared in lieu of final for the year ended 30 April 2012, and was paid in the financial year ended 30 April 2013.

NOTES TO THE FINANCIAL STATEMENTS

continued

9. Investments Designated at Fair Value through Profit or Loss

The portfolio comprises investments which are listed and traded on regulated stock exchanges.

Gains and losses in the year are either:

- realised, usually arising when investments are sold; or
- unrealised, being the difference from cost on those investments still held at the year end.

All investments are listed.

(a) Analysis of investments gains

	2014 £'000	2013 £'000
Opening valuation	205,883	170,744
Movements in the year:		
Purchases at cost	68,308	73,096
Sales – proceeds	(105,752)	(55,193)
– gains on sales	19,859	7,108
Movement in investment holding gains during the year	(22,140)	10,128
Closing valuation	166,158	205,883
Closing book cost	146,882	164,467
Closing investment holding gains	19,276	41,416
Closing valuation	166,158	205,883

(b) (Losses)/gains on investments

	2014 £'000	2013 £'000
Gains on sales	19,859	7,108
Movement in investment holding gains in the year	(22,140)	10,128
(Losses)/gains on investments	(2,281)	17,236

(c) Registration of investments

The investments of the Company are registered in the name of the Company or in the name of nominees and held to the order of Invesco Asia Trust plc.

(d) Transaction costs

The total transaction costs of £477,000 (2013: £363,000) included in gains and losses on investments relate to £171,000 (2013: £171,000) on purchases and £306,000 (2013: £192,000) on sales.

10. Debtors

Debtors are amounts which are due to the Company, such as monies due from brokers for investments sold and income which has been earned (accrued) but not yet received.

	2014 £'000	2013 £'000
Amounts due from brokers	841	–
Tax recoverable	128	289
VAT recoverable	22	8
Prepayments and accrued income	399	723
	1,390	1,020

11. Creditors: amounts falling due within one year

Creditors are amounts which must be paid by the Company and they are all due within 12 months of the balance sheet date.

The main creditor is the Company's revolving credit facility which provides a specific amount of capital (£20 million) over a specified period of time (364 days). Unlike a term loan, the revolving nature of the facility allows the Company to drawdown, repay and re-draw loans.

	2014 £'000	2013 £'000
Bank loan	5,331	10,939
Amounts due to brokers	138	888
Accruals	458	492
	5,927	12,319

The Company has an unsecured 364 day multi-currency revolving credit facility based on the lower of 25% of net asset value and £20 million, renewable on 8 August 2014. The facility covenant also requires total assets to not fall below £80 million. At the year end £5.3 million was drawn down in US dollars at an interest rate of 0.97% (2013: £10.9 million equivalent of US dollars at 1.17%). The Company also has an overdraft facility that is available for settlement purposes and is limited to 10% of net assets; this was unused at the year end (2013: nil).

12. Share Capital

Share capital represents the total number of shares in issue. Any dividends declared will be paid on the shares in issue on the record date.

(a) Allotted, called-up and fully paid

	2014 £'000	2013 £'000
88,859,369 (2013: 105,911,686) ordinary shares of 10p each	8,886	10,591
3,277,224 (2013: 3,277,224) treasury shares of 10p each	328	328
	9,214	10,919

(b) Share movements

	2014		2013	
	ORDINARY NUMBER	TREASURY NUMBER	ORDINARY NUMBER	TREASURY NUMBER
Number at start of year	105,911,686	3,277,224	93,165,757	–
Exercise of subscription shares	–	–	17,648,153	–
Tender offer	(15,886,669)	–	–	–
Shares bought back and cancelled	(1,165,648)	–	(1,625,000)	–
Shares bought back into treasury	–	–	(3,277,224)	3,277,224
	88,859,369	3,277,224	105,911,686	3,277,224

The average price of the shares bought back was 159.50p (2013: 138.50p).

During the year the Company undertook a tender offer of 15% of its shares in issue at 170.3877p per share. Fixed costs and expenses of the tender offer amounted to £332,000, giving a total cost of £27,401,000.

(c) Winding-up provisions

The Directors are obliged to convene an Extraordinary General Meeting (EGM) to consider a special resolution to wind up the Company every third year from the date of the AGM at which the Directors were released from such obligation. At the AGM in 2013 the Directors were released from their obligation to convene an EGM and a resolution to release the Directors from their obligation to convene an EGM will be put to shareholders at the AGM in 2016.

NOTES TO THE FINANCIAL STATEMENTS

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13. Reserves

This note explains the different reserves attributable to shareholders. The aggregate of the reserves and share capital (see previous note) make up total shareholders' funds.

The capital redemption reserve maintains the equity share capital arising from the buy-back and cancellation of shares; it, and the share premium, are non-distributable.

The capital reserve includes unrealised investment holding gains, being the difference between cost and fair value, of £19,276,000 (2013: £41,416,000). It also includes realised net gains of £29,040,000 (2013: £36,953,000) which are distributable, as is the revenue reserve.

The special reserve was used by the Company for the purchase of its own shares and by the end of the financial year it had a nil balance. As the Chairman's Statement highlights, the AGM includes a resolution seeking shareholder authority to convert the share premium account into a distributable reserve.

14. Net Asset Value

The Company's total net assets (total assets less total liabilities) are often termed shareholders' funds and are converted into net asset value per ordinary share by dividing by the number of shares in issue.

The net asset value attributable to each share in accordance with the Company's Articles are set out below.

	2014	2013
Basic:		
Ordinary shareholders' funds	£162,969,000	£195,528,000
Number of ordinary shares in issue, excluding treasury shares	88,859,369	105,911,686
Net asset value per ordinary share	183.4p	184.6p

15. Notes to the Cash Flow Statement

The cash flow statement shows the cash flows of the Company from its operating, investing and financing activities. The main cash flows arise from the purchase and sale of investments.

(a) Reconciliation of total return to net cash inflow from operating activities

	2014	2013
	£'000	£'000
Total return before finance costs and taxation	518	19,020
Adjustment for losses/(gains) on investments	2,281	(17,236)
Adjustment for (gains)/losses on currency revaluation	(41)	869
Scrip dividends received as income	(306)	(140)
Decrease/(increase) in debtors	471	(375)
(Decrease)/increase in creditors	(34)	49
Overseas tax deducted from overseas dividends	(344)	(317)
Net cash inflow from operating activities	2,545	1,870

(b) Analysis of cash flows for headings netted in the cash flow statement

	2014 £'000	2013 £'000
Servicing of finance		
Interest paid on bank loans and overdrafts	(85)	(143)
Net cash outflow from servicing of finance	(85)	(143)
	2014 £'000	2013 £'000
Capital expenditure and financial investment		
Purchase of investments	(69,058)	(72,621)
Sale of investments	104,911	55,362
Scrip dividends received as income	306	140
Net cash inflow/(outflow) from capital expenditure and financial investment	36,159	(17,119)
	2014 £'000	2013 £'000
Financing		
(Decrease)/increase in bank debt	(5,558)	3,969
Tender offer, including costs	(27,401)	–
Net proceeds from exercise of subscription shares	–	22,043
Shares bought back into treasury/cancelled	(1,858)	(6,838)
Net cash (outflow)/inflow from financing	(34,817)	19,174

(c) Analysis of net debt

	30 APRIL 2013 £'000	CASH FLOW £'000	EXCHANGE MOVEMENT £'000	30 APRIL 2014 £'000
Net cash:				
Net cash at bank	944	413	(9)	1,348
Debt due within one year	(10,939)	5,558	50	(5,331)
Net debt	(9,995)	5,971	41	(3,983)

16. Contingencies, Guarantees and Financial Commitments

This note would show any liabilities the Company is committed to honour, but which are dependent on future circumstances or events occurring.

There were no contingencies, guarantees or financial commitments of the Company at the year end (2013: £nil).

17. Related Party Transactions and Transactions with the Manager

A related party is a company or individual who has direct or indirect control or who has significant influence over the Company. Under accounting standards, the Manager is not a related party.

Under UK GAAP, the Company has identified the Directors as related parties. The Directors' remuneration and interests have been disclosed on pages 34 to 36 with additional disclosures in note 4. No other related parties have been identified.

Invesco Asset Management Limited (IAML), a wholly owned subsidiary of Invesco Limited, acts as Manager, Company Secretary and Administrator to the Company. Details of IAML's services and fees are disclosed in the Directors' Report.

NOTES TO THE FINANCIAL STATEMENTS

continued

18. Financial Instruments

Financial instruments comprise the Company's investment portfolio, derivative financial instruments (if the Company had any), as well as any cash, borrowings, debtors and creditors. This note sets out the risks arising from the Company's financial instruments in terms of the Company's exposure and sensitivity, and any mitigation that the Manager or Board can take.

The Company's principal risks and uncertainties are outlined in the Strategic Report on pages 8 to 10. This note expands on certain of those risks in relation to the Company's financial instruments, including investment and market risk. The Company's portfolio is managed in accordance with its investment objective, which is set out on page 6. The risk management and internal risk process, which the Audit Committee reviews on behalf of the Board, is described on pages 30 and 33. The overall disposition of the Company's assets is reviewed by the Board on a regular basis.

The accounting policies in note 1 include criteria for the recognition and the basis of measurement applied for financial instruments. Note 1 also includes the basis on which income and expenses arising from financial assets and liabilities are recognised and measured.

The principal risks that an investment company faces in its portfolio management activities are:

Market risk – arising from fluctuations in the fair value or future cash flows of a financial instrument because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk:

Currency risk – arising from fluctuations in the fair value or future cash flows of a financial instrument because of changes in foreign exchange rates;

Interest rate risk – arising from fluctuations in the fair value or future cash flows of a financial instrument because of changes in market interest rates; and

Other price risk – arising from fluctuations in the fair value or future cash flows of a financial instrument for reasons other than changes in foreign exchange rates or market interest rates.

Liquidity risk – arising from any difficulty in meeting obligations associated with financial liabilities.

Credit risk – arising from financial loss for a company where the other party to a financial instrument fails to discharge an obligation.

Risk Management Policies and Procedures

The Directors have delegated to the Manager the responsibility for the day-to-day investment activities of the Company as more fully described in the Directors' Report.

As an investment trust the Company invests in equities and other investments for the long-term so as to meet its investment objective and policies. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction of the profits available for dividends. The risks applicable to the Company and the policies the Company used to manage these are summarised below and have remained substantially unchanged for the two years under review.

Market Risk

The Company's Manager assesses the Company's exposure when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis. The Board meets at least quarterly to assess risk and review investment performance, as disclosed in the Board Responsibilities on page 29. Borrowing is used to enhance returns, however, this will also increase the Company's exposure to market risk and volatility.

Currency Risk

As a majority of the Company's assets, liabilities and income are denominated in currencies other than sterling, movements in exchange rates will affect the sterling value of those items.

Management of the Currency Risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board on a regular basis. With the exception of borrowings in foreign currency, the Company does not normally hedge its currency positions but may do so should the portfolio managers and the Board feel this was appropriate. Contracts are limited to currencies and amounts commensurate with the asset exposure.

Income denominated in foreign currencies is converted to sterling on receipt. The Company does not use financial instruments to mitigate the currency exposure in the period between the time that income is included in the financial statements and its receipt.

Currency Exposure

The fair values of the Company's monetary items that have currency exposure at 30 April are shown below. Where the Company's equity investments (which are not monetary items) are priced in a foreign currency they have been included separately in the analysis so as to show the overall level of exposure.

YEAR ENDED 30 APRIL 2014				INVESTMENTS		
	DEBTORS (DUE FROM BROKERS AND DIVIDENDS)		CREDITORS (DUE TO BROKERS AND ACCRUALS)	FOREIGN CURRENCY EXPOSURE ON NET MONETARY ITEMS	AT FAIR VALUE THROUGH PROFIT OR LOSS THAT ARE EQUITIES	TOTAL NET FOREIGN CURRENCY
CURRENCY	£'000	CASH AT BANK AND LOANS £'000	£'000	£'000	£'000	£'000
Australian dollar	–	4	–	4	15,297	15,301
Hong Kong dollar	44	–	(112)	(68)	41,959	41,891
Indian rupee	841	44	(26)	859	19,623	20,482
Indonesian rupiah	160	–	–	160	5,475	5,635
Philippine peso	8	–	–	8	3,528	3,536
Singapore dollar	45	–	–	45	4,748	4,793
South Korean won	–	–	–	–	38,392	38,392
Taiwan dollar	128	239	–	367	17,503	17,870
Thai baht	–	32	–	32	2,326	2,358
US dollar	107	(4,383)	(1)	(4,277)	17,307	13,030
	1,333	(4,064)	(139)	(2,870)	166,158	163,288

YEAR ENDED 30 APRIL 2013				INVESTMENTS		
	DEBTORS (DUE FROM BROKERS AND DIVIDENDS)		CREDITORS (DUE TO BROKERS AND ACCRUALS)	FOREIGN CURRENCY EXPOSURE ON NET MONETARY ITEMS	AT FAIR VALUE THROUGH PROFIT OR LOSS THAT ARE EQUITIES	TOTAL NET FOREIGN CURRENCY
CURRENCY	£'000	CASH AT BANK AND LOANS £'000	£'000	£'000	£'000	£'000
Australian dollar	–	–	–	–	16,189	16,189
Hong Kong dollar	37	–	–	37	64,866	64,903
Indian rupee	–	53	–	53	15,543	15,596
Indonesian rupiah	61	–	–	61	3,362	3,423
Philippine peso	–	36	–	36	9,235	9,271
Singapore dollar	45	–	–	45	6,104	6,149
South Korean won	85	–	–	85	39,929	40,014
Taiwan dollar	284	52	(3)	333	20,320	20,653
Thai baht	–	–	–	–	5,647	5,647
US dollar	476	(10,161)	(895)	(10,580)	24,688	14,108
	988	(10,020)	(898)	(9,930)	205,883	195,953

The above amounts are not representative of the exposure to risk during the year, because the levels of monetary foreign currency exposure change significantly throughout the year.

NOTES TO THE FINANCIAL STATEMENTS

continued

18. Financial Instruments (continued)

Currency Sensitivity

The following table illustrates the sensitivity of the returns after taxation for the year with respect to the Company's financial assets and liabilities and the exchange rates for sterling against each currency shown.

It assumes the following changes in exchange rates:

	2014 %	2013 %
£/Australian dollar	+/- 5.5	+/- 2.6
£/Hong Kong dollar	+/- 3.4	+/- 2.2
£/Indian rupee	+/- 6.2	+/- 2.5
£/Indonesian rupiah	+/- 10.4	+/- 2.4
£/Philippine peso	+/- 5.4	+/- 3.0
£/Singapore dollar	+/- 3.5	+/- 2.0
£/South Korean won	+/- 1.6	+/- 3.1
£/Taiwan dollar	+/- 3.9	+/- 1.7
£/Thai baht	+/- 5.9	+/- 4.0
£/US dollar	+/- 3.4	+/- 2.2

These percentages have been determined based on the market volatility in exchange rates in the previous year. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each balance sheet date and takes account of forward foreign exchange contracts that offset the effects of changes in currency exchange rates. The effect of the strengthening or weakening of sterling against foreign currencies is calculated by reference to the volatility of exchange rates during the year using the standard deviation of currency fluctuations against the mean.

If sterling had strengthened by these amounts against the currencies shown, this would have had the following effect:

	2014			2013		
	REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL LOSS AFTER TAX £'000	REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL LOSS AFTER TAX £'000
Australian dollar	(27)	(842)	(869)	(12)	(418)	(430)
Hong Kong dollar	(44)	(1,424)	(1,468)	(33)	(1,419)	(1,452)
Indian rupee	(68)	(1,270)	(1,338)	(3)	(383)	(386)
Indonesian rupiah	(16)	(586)	(602)	(2)	(80)	(82)
Philippine peso	(3)	(191)	(194)	(15)	(275)	(290)
Singapore dollar	(12)	(168)	(180)	(2)	(120)	(122)
South Korean won	(7)	(614)	(621)	(14)	(1,257)	(1,271)
Taiwan dollar	(27)	(697)	(724)	(6)	(345)	(351)
Thai baht	(2)	(139)	(141)	(3)	(227)	(230)
US dollar	(15)	(442)	(457)	(13)	(303)	(316)
	(221)	(6,373)	(6,594)	(103)	(4,827)	(4,930)

If sterling had weakened by these amounts against the currencies shown, the effect would have been the converse.

In the opinion of the Directors, the above sensitivity analyses are not representative of the year as a whole, since the level of exposure changes frequently as part of the currency risk management process of the Company.

Interest Rate Risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on variable rate borrowings. When the Company has cash balances, they are held in variable rate bank accounts yielding rates of interest dependent on the base rate of the custodian, Bank of New York Mellon.

The Company renewed its 364 day revolving credit facility (the 'facility') of £20 million with the custodian on terms that remained unchanged from the previous facility. Interest is payable at a fixed amount over interbank lending offer rates with a commitment fee for undrawn amounts. Under the facility covenants, the Company's total indebtedness must not exceed 25% of adjusted net assets and total assets must not be less than £80 million. The facility is due for renewal on 8 August 2014. The Company uses the facility when required at levels approved and monitored by the Board. At the year end drawings on the loan were £5.3 million (2013: £10.9 million). At the maximum possible gearing of £20 million, the effect of a 1% increase/decrease in the interest rate would result in a decrease/increase to the Company's income of £200,000.

The Company also has an uncommitted bank overdraft facility of 10% of assets held by the custodian which it uses for settlement purposes. At the year end there were no amounts drawn down (2013: £nil) on this. Interest on the bank overdraft is payable at the custodian's variable rate.

The Company's portfolio is not directly exposed to interest rate risk.

Other Price Risk

Other price risks (i.e. changes in market prices other than those arising from interest rate risk or currency risk) may affect the value of the equity investments, but it is the business of the Manager to manage the portfolio to achieve the best possible return.

The Directors manage the market price risks inherent in the investment portfolio by meeting regularly to monitor on a formal basis the Manager's compliance with the Company's stated objectives and policies and to review investment performance.

The Company's portfolio is the result of the Manager's investment process and as a result is not wholly correlated with the Company's benchmark or the markets in which the Company invests. The value of the portfolio will not move in line with the markets but will move as a result of the performance of the shares within the portfolio.

If the value of the portfolio rose or fell by 10% at the balance sheet date, the profit after tax for the year would increase or decrease by £16.6 million (2013: £20.6 million) respectively.

Liquidity Risk

This is minimised as the majority of the Company's investments comprise a diversified portfolio of readily realisable securities which can be sold to meet funding commitments as necessary, and the loan and overdraft facilities provide for additional funding flexibility. The financial liabilities of the Company are shown in note 11. At the balance sheet date, the main liability is the loan of £5.3 million (2013: £10.9 million) repayable on maturity of the revolving credit facility in August 2014.

Credit Risk

Credit risk encompasses the failure by counterparties to deliver securities which the Company has paid for, or to pay for securities which the Company has delivered, and cash balances. Counterparty risk is minimised by using only approved counterparties. The Company's ability to operate in the short-term may be adversely affected if the Company's custodian, The Bank of New York Mellon, suffers insolvency or other financial difficulties. The Board reviews the custodian's annual controls report and the Manager's management of the relationship with the custodian. Cash balances are limited to a maximum of £2.5 million with any one depository, with only approved depositories being used.

Fair Values of Financial Assets and Financial Liabilities

The fair values of the financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments), or the balance sheet amount is a reasonable approximation of fair value.

NOTES TO THE FINANCIAL STATEMENTS

continued

18. Financial Instruments (continued)

Fair Value of Hierarchy Disclosures

All of the Company's portfolio of investments are Level 1. There are no investments in Level 2 and 3. The three levels set out in FRS 29 "Financial Instruments: Disclosures" follow.

- Level 1 – fair value based on quoted prices in active markets for identical assets.
- Level 2 – fair values based on valuation techniques using observable inputs other than quoted prices within Level 1.
- Level 3 – fair values based on valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy is determined on the basis of the lowest level input that is significant to the fair value measurement of each relevant asset/liability.

The valuation techniques used by the Company are explained in the accounting policy note.

	2014		2013	
	LEVEL 1 £'000	TOTAL £'000	LEVEL1 £'000	TOTAL £'000
Financial assets designated at fair value through profit or loss:				
Quoted investment:				
Equities	166,158	166,158	205,883	205,883

Capital Management

The Company's total capital employed at 30 April 2014 was £168,300,000 (2013: £206,467,000) comprising borrowings of £5,331,000 (2013: £10,939,000) and equity share capital and other reserves of £162,969,000 (2013: £195,528,000).

The Company's total capital employed is managed to achieve the Company's investment objective and investment policy as set out on page 8, including that borrowings may be used to provide gearing up to the lower of £20 million or 25% of net asset value. Net gearing was 2.4% (2013: 5.1%) at the balance sheet date. The Company's policies and processes for managing capital were unchanged throughout the year and the preceding year.

The main risks to the Company's investments are shown in the Report of the Directors under the 'Principal Risks and Uncertainties' section on pages 8 to 10. These also explain that the Company is able to gear and that gearing will amplify the effect on equity of changes in the value of the portfolio.

The Board can also manage the capital structure directly since it has taken the powers, which it is seeking to renew, to issue and buy-back shares and it also determines dividend payments. In addition, the Board has a policy of proposing a tender offer if conditions, as described in the Chairman's Statement, are met.

The Company is subject to externally imposed capital requirements with respect to the obligation and ability to pay dividends by section 1159 Corporation Tax Act 2010 and by the Companies Act 2006, respectively, and with respect to the availability of the credit facility, by the terms imposed by the lender, details of which are given in note 11. The Board regularly monitors, and the Company has complied with, these externally imposed capital requirements; this is unchanged from the previous year.

19. Post Balance Sheet Events

Any significant events that occurred after the balance sheet date but before the signing of the balance sheet will be shown here.

The Chairman's Statement highlights the proposal to convert the share premium account into a new distributable special reserve. This has no effect on the total assets of the Company, but enables any future tender offer or share buy back to be funded using this reserve. This capital reduction is subject to court approval.

THIS NOTICE OF ANNUAL GENERAL MEETING IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to what action to take, you should consult your stockbroker, solicitor, accountant or other appropriate independent professional adviser authorised under the Financial Services and Markets Act 2000. If you have sold or otherwise transferred all your shares in Invesco Asia Trust plc, please forward this document and the accompanying Form of Proxy to the person through whom the sale or transfer was effected, for transmission to the purchaser or transferee.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Invesco Asia Trust plc will be held at 43-45 Portman Square, London W1H 6LY, on 7 August 2014 at 12 noon for the following purposes:

Ordinary Business

1. To receive the Report of the Directors and financial statements for the year ended 30 April 2014.
2. To declare a final dividend as recommended.
3. To approve the Directors' Remuneration Policy.
4. To approve the Chairman's Annual Statement and Report on Remuneration.
5. To re-elect Carol Ferguson as a Director of the Company.
6. To reappoint the Auditor and authorise the Directors to determine their remuneration.

Special Business

To consider and, if thought fit, pass the following resolution which will be proposed as an Ordinary Resolution:

7. THAT:
in substitution for any existing authority under section 551 of the Companies Act 2006 (the 'Act') but without prejudice to the exercise of any such authority prior to the date of this resolution the Directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Act as amended from time to time prior to the date of the passing of this resolution, to exercise all powers of the Company to allot shares and grant rights to subscribe for, or convert any securities into, shares up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the Act) of £921,365, this being 10% of the Company's issued ordinary share capital as at 1 July 2014, such authority to expire at the conclusion of the next Annual General Meeting of the Company or the date fifteen months after the passing of this resolution, whichever is the earlier unless the authority is renewed or revoked at any other general meeting prior to such time, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require shares to be allotted, or rights to be granted, after such expiry as if the authority conferred by this resolution had not expired.

To consider and, if thought fit, pass the following resolutions which will be proposed as Special Resolutions:

8. THAT:
subject to the passing of resolution number 7 set out in the notice of this meeting (the 'Section 551 Resolution') and in substitution for any existing authority under sections 570 and 573 of the Companies Act 2006 (the 'Act') but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby empowered, in accordance with sections 570 and 573 of the Act as amended from time to time prior to the date of the passing of this resolution to allot equity securities (within the meaning of section 560(1), (2) and (3) of the Act) for cash, either pursuant to the authority given by the Section 551 Resolution or (if such allotment constitutes the sale of relevant shares which, immediately before the sale, were held by the Company as treasury shares) otherwise, as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:
 - (a) to the allotment of equity securities in connection with a rights issue in favour of all holders of a class of equity securities where the equity securities attributable respectively to the interests of all holders of securities of such class are either proportionate (as nearly as may be) to the respective numbers of relevant equity securities held by them or are

NOTICE OF ANNUAL GENERAL MEETING

continued

otherwise allotted in accordance with the rights attaching to such equity securities (subject in either case to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal, regulatory or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise); and

- (b) to the allotment (otherwise than pursuant to a rights issue) of equity securities up to an aggregate nominal amount of £460,682, this being 5% of the Company's issued share capital as at 1 July 2014

and this power shall expire at the conclusion of the next Annual General Meeting of the Company or the date 15 months after the passing of this Resolution, whichever is the earlier unless the authority is renewed or revoked at any other general meeting prior to such time, but so that this power shall allow the Company to make offers or agreements before the expiry of this power which would or might require equity securities to be allotted after such expiry as if the power conferred by this Resolution had not expired; and so that words and expressions defined in or for the purposes of Part 17 of the Act shall bear the same meanings in this Resolution.

9. THAT:

The Company be generally and subject as hereinafter appears unconditionally authorised in accordance with Section 701 of the Companies Act 2006 (the 'Act') to make market purchases (within the meaning of Section 693(4) of the Act) of its issued Ordinary Shares of 10p each in the capital of the Company ('Shares').

PROVIDED ALWAYS THAT:

- (i) the maximum number of Shares hereby authorised to be purchased shall be 13,811,275 or 14.99% of shares in issue as at 1 July 2014;
- (ii) the minimum price which may be paid for a Share shall be 10p;
- (iii) the maximum price which may be paid for a Share shall be an amount equal to 105% of the average of the middle market quotations for a Share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is purchased;
- (iv) any purchase of Shares will be made in the market for cash at prices below the prevailing net asset value per Share (as determined by the Directors);
- (v) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company, or the date fifteen months after the passing of this resolution, whichever is the earlier, unless the authority is renewed or revoked at any other general meeting prior to such time;
- (vi) the Company may make a contract to purchase Shares under the authority hereby conferred prior to the expiry of such authority which will be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract; and
- (vii) any shares so purchased shall be cancelled or, if the Directors so determine and subject to the provisions of Sections 724 to 731 of the Companies Act 2006 and any applicable regulations of the United Kingdom Listing Authority, be held (or otherwise dealt with in accordance with Section 727 or 729 of the Companies Act 2006) as Treasury Shares.

10. THAT:

Subject to the confirmation of the Court, the share premium account of the Company be cancelled.

11. THAT:

The period of notice required for general meetings of the Company (other than AGMs) shall be not less than 14 clear days.

Dated this 1st July 2014

By order of the Board

Invesco Asset Management Limited
Company Secretary

Notes:

1. A member entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and, on a poll, to vote in his stead. Where more than one proxy is appointed, each proxy must be appointed to exercise the rights attached to a different share or shares. A proxy need not be a member of the Company. In order to be valid an appointment of proxy must be returned by one of the following methods:
 - via Capita Registrar's website www.capitashareportal.com; or
 - In hard copy form by post, by courier or by hand to the Company's registrars, Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF; or
 - In the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below

and in each case to be received by the Company not less than 48 hours before the time of the meeting.
2. CREST members who wish to appoint a proxy or proxies by utilising the CREST electronic proxy appointment service may do so by utilising the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers(s) who will be able to take the appropriate action on their behalf. In order for a proxy appointment made by means of CREST to be valid, the appropriate CREST message (a 'CREST Proxy Instruction') must be properly authenticated in accordance with CRESTCo's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID RA10) by the latest time(s) for receipt of proxy appointments specified in this document. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001. CREST members and, where applicable, their CREST sponsors or voting service providers should note that CRESTCo does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take or, if the CREST member is a CREST Personal member or sponsored member or has appointed a voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s), such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
3. A form of appointment of proxy is enclosed. Appointment of a proxy (whether by completion of a form of appointment of proxy, or other instrument appointing a proxy or any CREST proxy instruction) does not prevent a member from attending and voting at this meeting.

To be effective, the form of appointment of proxy, duly completed and executed, together with any power of attorney or other authority under which it is signed (or notarially certified copy thereof) must be lodged at the office of the Company's registrars, Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, by not later than 12 noon on 5 August 2014.
4. A person entered on the Register of Members on 5 August 2014 ('a member') is entitled to attend and vote at the Meeting pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001. Any changes to the Register of Members after such time and date shall be disregarded in determining the rights of any person to attend and/or vote at the Meeting. If the Meeting is adjourned, entitlement to attend and vote at the adjourned meeting, and the number of votes which may be cast thereat, will be determined by reference to the Company's register of member 48 hours before the time fixed for the adjourned meeting.
5. The Register of Directors' interests, the Letters of Appointment for Directors, Schedule of Matters Reserved for the Board, and the terms of reference of the Audit Committee, the Management Engagement Committee, the Nomination Committee and the Remuneration Committee will be available for inspection at the AGM.
6. A copy of the Company's Articles of Association is available for inspection at the Registered Office of the Company during normal business hours until the close of the AGM and will also be available at the AGM for at least 15 minutes prior to and during the meeting.
7. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a '**Nominated Person**') may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

NOTICE OF ANNUAL GENERAL MEETING

continued

- The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by shareholders of the Company.
8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
 9. Any member attending the AGM has the right to ask questions under section 319A of the Companies Act 2006. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.
 10. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in this Notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.
 11. As at 1 July 2014 (being the last practicable day prior to the publication of this Notice) the Company's issued share capital consisted of 88,859,369 ordinary 10p shares each carrying one vote and a further 3,277,224 ordinary 10p shares held in treasury which do not carry votes.
 12. A copy of this notice, and other information required by Section 311A of the Companies Act 2006, can be found at www.invesco-perpetual.co.uk/investmenttrusts.
 13. Shareholders should note that it is possible that, pursuant to requests made by members of the company under Section 527 of the Companies Act 2006, the Company may be required to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial reports were laid in accordance with Section 437 of the Companies Act 2006 (in each case) that the members propose to raise at the relevant AGM. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under Section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under Section 527 of the Companies Act 2006 to publish on a website.

SHAREHOLDER INFORMATION

The shares of Invesco Asia Trust plc (the 'Company') are quoted on the London Stock Exchange.

Savings Plan and ISA

The Company is a member of the Invesco Perpetual Investment Trust Savings Scheme and the Invesco Perpetual Investment Trust ISA.

Invesco Perpetual Investment Trust Savings Scheme

The Invesco Perpetual Investment Trust Savings Scheme allows investors to make monthly purchases from as little as £20 per month or through lump sum investments of £500 or above in the shares of the Company.

Invesco Perpetual Investment Trust ISA

The Invesco Perpetual Investment Trust ISA allows investments up to the current ISA limit. For 2014/15 tax year the limit was increased on 1 July 2014 from £11,880 to £15,000. Investors can also choose to make lump sum investments from £500, or regular investments from £20 per month.

For further details of these Invesco Perpetual investment schemes contact the Invesco Perpetual Investor Services Team free on ☎ 0800 085 8677.

Net Asset Value Publication

The NAV of the Company's ordinary shares is calculated by the Manager on a daily basis and is notified to the Stock Exchange on the next business day. It is published daily in the newspapers detailed below. It can also be found on the Manager's website.

Share Price Listings

The price of your shares can be found in the Financial Times, The Times and the Daily Telegraph. In addition, share price information can be found using the IAT ticker code for the ordinary shares.

Manager's Website

The Manager's website can be located at www.invescoperpetual.com/investmenttrusts.

The contents of websites referred to in this document, or accessible from links within those websites, are not incorporated into, nor do they form part of this financial report.

Financial Calendar

In addition, the Company publishes information according to the following calendar:

Announcements

Half-yearly unaudited results	December
Interim Management Statement	February
Annual Financial results	June/July
Interim Management Statement	August

Ordinary Share Dividend

Payable	August
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Annual General Meeting

August

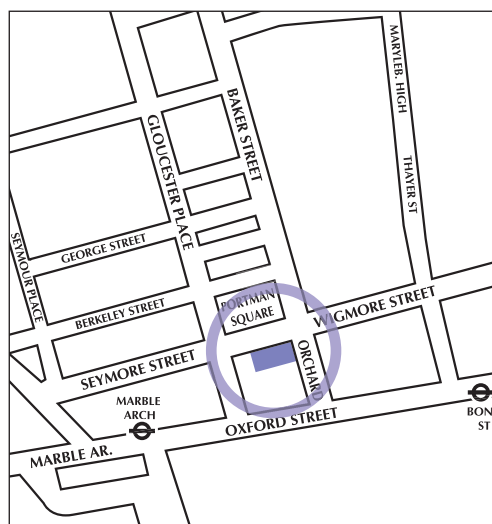
Year end

30 April

Location and Date of Annual General Meeting

To be held at 12 noon on 7 August 2014 in Invesco Perpetual's offices on the first floor of 43-45 Portman Square, London W1H 6LY

Following the AGM refreshments will be served.



ADVISERS AND PRINCIPAL SERVICE PROVIDERS

All of the following were in place throughout the year

Manager and Company Secretary

Invesco Asset Management Limited

Correspondence Address:

6th Floor
125 London Wall
London EC2Y 5AS
☎ 020 3753 1000

Company secretarial contact: Kelly Nice

Registered Office

Perpetual Park
Perpetual Park Drive
Henley-on-Thames
Oxfordshire RG9 1HH

Company Number

Registered in England and Wales
Number 3011768

Invesco Perpetual Investor Services

Invesco Perpetual has an Investor Services Team, available from 8.30am to 6pm, Monday to Friday (excluding bank holidays). Current valuations, statements and literature can be ordered, however, no investment advice can be given.

☎ 0800 085 8677

www.invescoperpetual.co.uk/investmenttrusts

Savings Scheme and ISA Administration

For queries relating to both the Invesco Perpetual Investment Trust Savings Scheme and ISA, please contact:

Invesco Perpetual
P.O. Box 11150
Chelmsford CM99 2DL
☎ 0800 085 8677

Registrars

Capita Asset Services
The Registry
34 Beckenham Road
Beckenham
Kent BR3 4TU

If you hold your shares directly and not through a savings scheme or ISA and have queries relating to your shareholding, you should contact the Registrars.

☎ 0871 664 0300.

Calls cost 10p per minute plus network charges.

From outside the UK: +44 20 8639 3399. Lines are open 9am to 5.30pm, Monday to Friday (excluding bank holidays).

Shareholders can also access their holding details via Capita's website: www.capitaregistrars.com or www.capitashareportal.com.

Capita Asset Services provide an online and telephone share dealing service to existing shareholders who are not seeking advice on buying or selling. This service is available at www.capitadeal.com or ☎ 0871 664 0454. Calls cost 10p per minute plus network charges.

From outside the UK: +44 20 3367 2699. Lines are open from 8am to 4.30pm, Monday to Friday (excluding bank holidays).

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Custodian

The Bank of New York Mellon
160 Queen Victoria Street
London EC4V 4LA

Corporate Broker

Westhouse Securities Limited
Heron Tower
110 Bishopsgate
London EC2N 4AY

Edison Investment Research Limited

Lincoln House
296-302 High Holborn
London WC1V 7JH

Solicitors

Ashurst LLP
Broadwalk House
5 Appold Street
London EC2A 2HA

The Association of Investment Companies

The Company is a member of the Association of Investment Companies.

Contact details are as follows:

☎ 020 7282 5555.

Email: enquires@theaic.co.uk

Website: www.theaic.co.uk

GLOSSARY OF TERMS

Benchmark

A market index, which averages the performance of companies in any sector, giving a good indication of any rises or falls in the market. The benchmark used in these accounts is the MSCI All Countries Asia Pacific ex Japan Index (total return), measured in sterling.

Discount

The amount by which the mid-market price per share of an investment trust is lower than the net asset value per share. The discount is normally expressed as a percentage of the net asset value per share.

Gearing

The gearing percentage reflects the amount of borrowings that a company has invested. This figure indicates the extra amount by which shareholders' funds would move if a company's investments were to rise or fall. A positive percentage indicates the extent to which shareholders' funds are geared; a nil gearing percentage, or 'nil', shows a company is ungeared. A negative percentage indicates that the company is not fully invested.

There are several methods of calculating gearing and the following have been used in this report:

Gross Gearing

This reflects the amount of gross borrowings in use by a company and takes no account of any cash balances. It is based on gross borrowings as a percentage of shareholders' funds.

Net Gearing

This reflects the amount of net borrowings invested, ie borrowings less cash and cash equivalents. It is based on net borrowings as a percentage of shareholders' funds.

Market Capitalisation

Is calculated by multiplying the stockmarket price of an ordinary share by the number of ordinary shares in issue.

Net Asset Value (NAV)

Basic Net Asset Value

The net asset value per ordinary share is calculated by dividing the ordinary net asset value by the number of ordinary shares in issue.

Diluted Net Asset Value

The diluted net asset value is the net asset value per share that would arise if the subscription shares were converted. It is calculated by dividing the net asset value by the number of shares that would be in issue if all the subscriptions shares were converted to ordinary shares. Where the diluted net asset value per ordinary share is greater than the basic net asset value per ordinary share, there is no dilutive effect.

Net Cash

This reflects the Company's net exposure to cash and cash equivalents expressed as a percentage of shareholders' funds after any offset against its gearing.

Ongoing Charges Ratio

This is calculated in accordance with guidance issued by the AIC as follows: the annualised ongoing charges, including those charged to capital but excluding interest, incurred by the Company, expressed as a percentage of the average undiluted net asset value (at market value) reported in the period.

Shareholders' Funds

Also called equity shareholders' funds. The amount due to the ordinary shareholders.



The Manager of Invesco Asia Trust plc is Invesco Asset Management Limited.

Invesco Asset Management Limited is a wholly owned subsidiary of Invesco Limited and is authorised and regulated by the Financial Conduct Authority.

Invesco Perpetual is a business name of Invesco Asset Management Limited.

Invesco is one of the largest independent global investment management firms, with funds under management in excess of \$790.1 billion.*

We aim to provide the highest returns available from markets, through active management, but in a controlled manner, conscious of the risks involved and within our clients' objectives.

* Funds under Management as at 31 May 2014

SPECIALIST FUNDS MANAGED BY INVESCO PERPETUAL

Investing for Income, Income Growth and Capital Growth (from equities, fixed interest securities or property)

City Merchants High Yield Trust Limited

A Jersey-incorporated closed-ended Company that aims to generate a high level of income from a variety of fixed income instruments. The Company may use bank borrowings.

Invesco Income Growth Trust plc

Aims to produce income and capital growth superior to that of the UK stock market and a stream of dividends paid quarterly that, over time, grows at above the rate of inflation. The Company may use bank borrowings.

Invesco Enhanced Income Limited

A Jersey-incorporated closed-ended Company that aims to provide a high level of income, paid gross to UK investors, whilst seeking to maximise total return through investing, primarily in a diversified portfolio of high-yielding corporate and government bonds. The Company seeks to balance the attraction of high-yield securities with the need for protection of capital and to manage volatility. The Company uses repo financing to enhance returns.

Invesco Perpetual Select Trust plc – Managed Liquidity Portfolio

Aims to generate income from a variety of fixed income instruments combined with a high degree of security. Income will reduce during periods of very low interest rates.

Invesco Perpetual Select Trust plc – UK Equity Portfolio

Aims to generate long-term capital and income growth with real growth in dividends from investment, primarily in the UK equity market. The portfolio may use bank borrowings.

Invesco Property Income Trust Limited

The Company is a closed-ended investment company with limited liability incorporated in Jersey. The objective is to repay its bank borrowings and other liabilities and, having met these obligations, to provide a return for shareholders. The Company holds a diversified portfolio of European commercial properties and is geared by bank debt.

Keystone Investment Trust plc

Aims to provide shareholders with long-term growth of capital mainly from UK investments. The Company has two debenture stocks in issue.

Perpetual Income and Growth Investment Trust plc

Aims to provide shareholders with capital growth and real growth in dividends over the medium to longer term from a portfolio of securities listed mainly in the UK equity and fixed interest markets. The Company has secured loan notes in issue and, in addition, may use bank borrowings.

The Edinburgh Investment Trust plc

Invests primarily in UK securities with the long-term objective of achieving:

1. an increase of the Net Asset Value per share by more than the growth in the FTSE All Share Index; and
2. growth in dividends per share by more than the rate of UK inflation.

The Company has a debenture stock in issue and, in addition, may use bank borrowings.

Investing in Smaller Companies

Invesco Perpetual UK Smaller Companies Investment Trust plc

Aims to achieve long-term total returns for the Company's shareholders primarily by investment in a broad cross-section of small to medium sized UK-quoted companies. The pursuit

of income is of secondary importance. The Company may use bank borrowings.

Investing Internationally

Invesco Asia Trust plc

Aims to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian securities. The Company aims to achieve growth in its net asset value in excess of the MSCI All Countries Asia Pacific Ex Japan Index, measured in sterling. The Company may use bank borrowings.

Invesco Perpetual Select Trust plc – Global Equity Income Portfolio

Aims to provide an attractive and growing level of income return and capital appreciation over the long term, predominantly through investment in a diversified portfolio of equities worldwide. The portfolio may use bank borrowings.

Investing for Total Returns

Invesco Perpetual Select Trust plc – Balanced Risk Portfolio

Aims to provide shareholders with an attractive total return in differing economic and inflationary environments and with low correlation to equity and bond market indices by gaining exposure to three asset classes: debt securities, equities and commodities.

The portfolio is constructed so as to balance risk, is long-only, using mainly transparently-priced exchange-traded futures contracts and other derivative instruments to gain such exposure and to provide leverage.

Investing in Multiple Asset Classes

Invesco Perpetual Select Trust plc

- UK Equity Portfolio
- Global Equity Income Portfolio
- Managed Liquidity Portfolio
- Balanced Risk Portfolio

A choice of four investment policies and objectives, each intended to generate attractive risk-adjusted returns from segregated portfolios, with the ability to switch between them, four times a year, free from capital gains tax liability. Dividends are paid quarterly, apart from Balanced Risk which will not normally pay dividends.

Please contact our Investor Services Team on 0800 085 8677 if you would like more information about the investment trusts or other specialist funds listed above. Further details are also available on the following website: www.invescoperpetual.co.uk/investmenttrusts.

