
Invesco Asia Trust plc

ANNUAL FINANCIAL REPORT

YEAR ENDED 30 APRIL 2010

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:

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🌐 www.invesco-perpetual.co.uk/investmenttrusts

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

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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 Morgan Stanley Capital International All Countries Asia Pacific ex Japan Index, measured in sterling.

Investment Policy

The Company invests primarily in the equity securities of companies listed in the stockmarkets of China, Hong Kong, India, Malaysia, Singapore, South Korea, Taiwan, Thailand and 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.

Investment Process

In managing investments in Asia, the investment process focuses on valuation and the combination of top-down and bottom-up fundamental analysis. Bottom-up analysis is the key driver of stock selection where proprietary research, coupled with comprehensive external research, is structured to provide a detailed understanding of a company's key historical and future business drivers. Valuation models are selectively used to identify companies with undervalued medium to long-term growth prospects. 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 within the scope of the Company's guidelines.

Share Capital and Gearing

The Company's issued share capital consists of 93,837,425 ordinary shares of 10p each and 18,767,485 subscription shares of 1p each. The Company has the ability to gear by utilising a £15 million credit facility.

Life of the Company

In accordance with the Company's Articles of Association, the Board will ask 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 this year's Annual General Meeting.

ISA Eligibility

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

Glossary of Terms

There is a glossary of terms on page 64 which defines some of the technical references used in the report.

The Company is a
member of

aic

The Association of
Investment Companies

The benchmark index of the Company is the MSCI All Countries Asia Pacific ex Japan Index (adjusted for sterling)

Performance Statistics

Terms marked † are defined in the Glossary of Terms on page 64.

	AT 30 APRIL 2010	AT 30 APRIL 2009	% CHANGE
Net assets (£'000)	150,934	98,667	+53.0
Actual gearing†	103	100	
Asset gearing†	102	100	
Net asset value† ('NAV') per ordinary share:			
– basic	160.8p	105.1p	+53.0
– diluted	154.9p	105.1p	+47.4
Benchmark Index ⁽ⁱ⁾ – capital return	279.5	190.6	+46.6
Mid-market price per ordinary share	138.3p	94.5p	+46.3
Subscription shares	26.0p	n/a	
Discount† per ordinary share on diluted NAV			
– cum income	10.7%	10.1%	
– ex income	9.6%	8.8%	
Total Returns ⁽ⁱ⁾ :			
– Diluted NAV			+55.1
– Benchmark Index			+50.9

⁽ⁱ⁾ Source: Thomson Financial Datastream.

Revenue

	YEAR ENDED 30 APRIL 2010	YEAR ENDED 30 APRIL 2009	
Gross income (£'000)	3,066	2,711	+13.1
Net revenue available for ordinary shares (£'000)	2,184	1,463	+49.3
Dividend per share	2.25p	1.5p	+50.0
Total expense ratio†	1.1%	1.2%	

Return per Ordinary Share

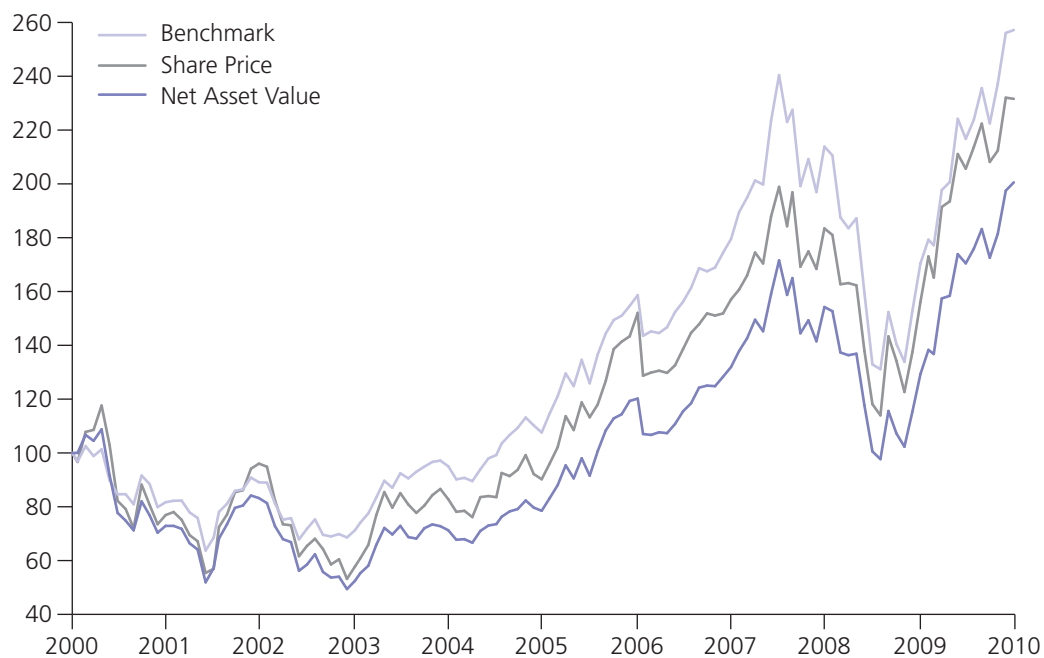
Diluted revenue return	2.3p	1.6p
Diluted capital return	54.9p	(21.6)p
Total return	57.2p	(20.0)p

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 p	Mid-market price per ordinary share p
			Rate p	Cost £'000			
2001	1,216	338	0.3	318	67,010	63.2	51.0
2002	1,245	524	0.4	424	76,109	71.8	63.3
2003	1,335	573	0.4	424	47,686	45.0	37.8
2004	1,381	591	0.5	530	64,530	60.4	53.5
2005	2,033	993	0.9	954	70,848	66.9	57.8
2006	2,593	1,307	1.2	1,272	107,209	101.2	96.0
2007	2,816	1,434	1.3	1,378	116,146	109.6	97.8
2008	3,247	1,762	1.5	1,408	118,862	126.7	112.8
2009	2,711	1,463	1.5	1,408	98,667	105.1	94.5
2010	3,066	2,184	2.3	2,111	150,934	154.9	138.3

Ten Year Total Return Performance

Rebased to 100 at 30 April 2000



Source: Thomson Financial Datastream

CHAIRMAN'S STATEMENT

Performance and Prospects

At the start of the period under review there were indications that the global downturn was nearing an end. These initial signs proved to be the foundations from which Asian economies have built what appears to be a sustainable recovery. While unprecedented government support was required to engineer the improved outlook, the region is now benefiting from higher levels of internal demand and an improvement in external trade, which together should generate growth independent of state support. The rapid improvements across Asian economies helped the Company to deliver very strong performance. Over the period, the diluted net asset value (total return) per ordinary share rose by 55.1% compared to the benchmark, the MSCI All Countries Asia Pacific ex-Japan Index (total return), which increased by 50.9% adjusted for sterling. The Company's share price rose from 94.5p to 138.3p, while the discount to diluted net asset value (ex income) at which the shares traded widened to 9.6%, from 8.8% at the start of the period.

Dividend

In consequence of increased income from investments and a reduction in taxation due to overseas dividends now being exempt from UK corporation tax, the Board is pleased to recommend a final dividend of 2.25p per ordinary share (2009: 1.5p). The dividend, which is subject to the approval of shareholders at the Annual General Meeting, will be payable on 13 August 2010 to shareholders on the register on 16 July 2010.

Gearing

The Company has an unsecured £15 million credit facility with its Custodian, The Bank of New York Mellon. The gearing policy is determined by the Board which has established a gearing limit of a maximum of 25% of net assets. At the end of the year, the Company had borrowed £5 million. Since the year-end and at the latest practical time before publication of this document, the borrowing was £2,500,000.

The Board

As I mentioned in my statement last year, Robin Baillie has decided to retire from the Board following the 2010 Annual General Meeting. Robin has been a Director of the Company since 1995 and served as Chairman from 1995 to 2005. The Board thanks Robin warmly for his significant contribution to the Company's business during his 15 years of service and wishes him all the best for a long and happy retirement.

Continuation vote and discount control

Shareholders are given the opportunity to vote on the future of the Company every three years and at the forthcoming Annual General Meeting an ordinary resolution is being proposed that the Directors be released from their obligation to convene an Extraordinary General Meeting proposing a special resolution that the Company be wound up on a voluntary basis. The Directors continue to believe that a wind-up would not serve shareholders' best interests and that the combination of the management expertise of Stuart Parks and his Henley team and the encouraging prospects we foresee for the markets in which we invest will be of benefit to shareholders.

In the Board's ongoing discussions with shareholders in advance of the continuation vote, it became clear that one of the Company's larger shareholders wished the Board to consider, in the year of the continuation vote, a tender offer to provide a return of capital to shareholders at close to NAV as a means of discount control. After careful consideration, the Board has decided that it would be in the interests of shareholders as a whole to propose a tender offer at the end of the current financial year (subject to receiving necessary shareholder approval) for up to 15% of the Company's issued share capital, at a 2% discount to NAV less the costs of the tender, if the Company's shares have traded over the year to 30 April 2011 at an average discount of more than 10% to NAV (fully diluted, ex income).

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 higher than desired and shares are available in the market. The Board is of the view that the principal

purpose of share repurchases is to enhance net asset value for 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.

Outlook

Asia's long-term economic outlook remains positive and its share of global economic output is set to rise. This reflects not only Asia's inherent strengths, but also the more subdued performance of developed economies as they continue to work their way through the consequences of the financial crises. As we have experienced recently, Asia is not immune to issues emanating from the West, but its long-term shift from export dependence towards an economic model more aligned with domestic demand should see that influence decline. The performance of Asian equities over the past two years has been a clear reminder that volatility is inherent in these markets and this is likely to remain the case as the global recovery continues to unfold. However, Asia's fundamental strengths support the long-term case for investing in these markets, and businesses in the region should benefit from its strong growth profile.

A year ago, valuations across Asian equity markets were depressed and their normalisation has been reflected in the Company's strong share price performance. The mis-pricing of Asian stocks has now been largely corrected, but this has only seen valuations return to more normal levels. Looking ahead, stock prices are likely to be supported by an ongoing recovery in corporate earnings and the region continues to offer opportunities to tap into fast-growing businesses within dynamic economies. With developed markets widely expected to see modest growth in the years ahead, Asia's economic advantages and increasing number of high-quality companies are likely to remain attractive to long-term investors.

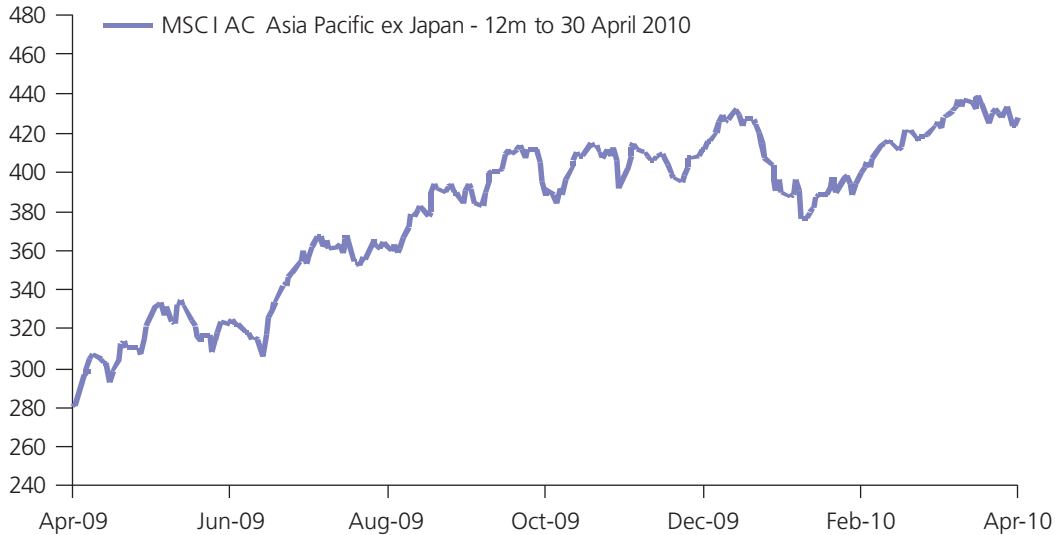
David Hinde

Chairman

6 July 2010

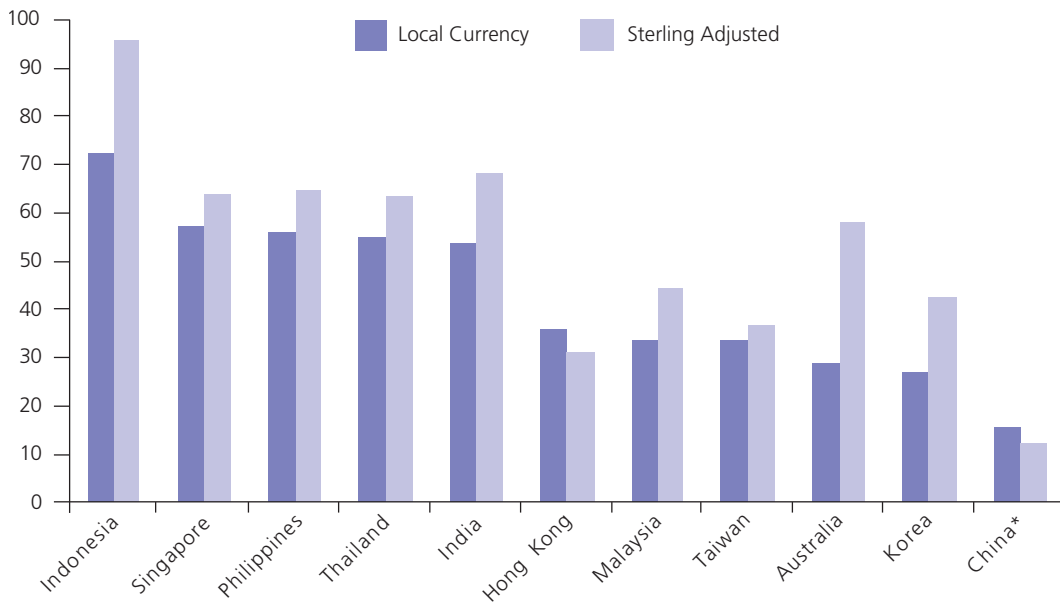
Manager's Review

Asian equity markets perform strongly



Source: Bloomberg LP, GBP 30 April 2009 to 30 April 2010.

Stockmarket Performance % – Twelve months to 30 April 2010



Source: Thomson Financial Datastream

*China SE Shanghai Composite Index

Market & Economic Review

The twelve months to the end of April 2010 saw a strong rebound in Asian economies and stockmarkets. The quick, decisive and meaningful supports put in place by authorities across the region successfully halted the steep declines in economic growth that had resulted from the West's financial crisis and the ensuing global recession. Against a backdrop of record low interest rates and large-scale stimulus spending, Asian economies strengthened throughout the period and having been heavily sold down, Asian stocks benefited from an abrupt change in investors' risk appetite.

As Asia's dominant economy, China led the region's economic rebound. Having seen GDP growth decelerate sharply at the start of 2009, to 6.1% year-on-year (y-o-y) in the first quarter, the economy posted 11.9% y-o-y expansion by the first quarter of 2010. In addition to monetary and fiscal support, the gradual improvement in global conditions, with export demand from developed economies slowly gaining momentum, spurred China's recovery. More importantly for China's

long-term development was the greater role played by domestic demand. Government efforts to boost spending and to strengthen the social safety net saw activity among Chinese consumers steadily improve, and by April of this year retail sales were growing at 18.5% y-o-y. While not experiencing the same level of growth, other major Asian economies, including India, Indonesia and Korea, also achieved robust recoveries. The strength of the upturn resulted in bank reserve requirements being increased in China and India to slow the pace of loan growth, with India also increasing interest rates to slow inflationary pressures. Equities in India were further supported by a decisive election victory for Prime Minister Manmohan Singh's incumbent government, which was seen as potentially accelerating economic reform. In Thailand, anti-government protests saw a rise in market volatility, but the equity market still provided a robust return over the year as a whole.

With economic activity rising, corporate earnings picked up sharply and a return of merger and acquisition activity was a further sign of improved confidence. While year-on-year comparisons were flattered by the weakness of earnings in the early part of 2009, companies including Samsung Electronics and Hyundai Motor recorded exceptional increases in profits for the first quarter of 2010. The strength of economic growth in China and Hong Kong was positive for real estate companies as home sales and prices rose sharply, reflected in Hong Kong real estate group Cheung Kong recording a 53% rise in 2009 profits. Chinese banks were prominent, as they raised fresh capital to strengthen their balance sheets following the record loan growth achieved in 2009, with China Construction Bank announcing Asia's largest ever rights issue at a value of US\$11 billion.

Company performance

In the twelve months to the end of April 2010, the Company's net asset value increased by 55.1% (diluted NAV, total return, adjusted for sterling), outperforming the benchmark, the MSCI All Countries Asia Pacific ex Japan Index, which gained 50.9% (total return, adjusted for sterling).

During the period, the Company benefited from strong individual stock performances within the real estate sector, including the significant position in Hong Kong-based developer Wharf (Holdings). The company's operating performance benefited also from an environment of low interest rates and robust demand, which translated into rising prices and increased activity. Stock selection within the machinery sector was also beneficial to returns, led by the holding in Jain Irrigation. The group manufactures irrigation systems which are a growing requirement of India's agricultural sector. In the period under review the shares were further supported by news that the Indian government plans to increase its expenditure on irrigation projects significantly.

Underweight exposure to the commercial banking sector detracted from performance, as this area of the market experienced a strong rebound as the economic recovery in Asia gathered pace. The Company's position in the tobacco sector, through Korean group KT&G Corporation, also had a negative impact, as the stock trailed the performance of the wider market given its more defensive earnings profile.

Outlook for Asian economies and markets

Asian equity markets face some very different challenges to those that prevailed at the beginning of the period. Widespread concerns about the Western financial sector, global economic weakness and falling asset prices have been replaced by a focus on policy tightening and worries about the potential for asset price bubbles. The position today reflects the success that Asian authorities have had in supporting their economies and with growth now on a much stronger footing we believe it is appropriate for governments and central banks to be reconsidering policies and measures that were implemented during the depths of the downturn.

The pace at which these stimulus measures are withdrawn will be an important theme throughout the remainder of the year. While there is a risk that tightening may happen too quickly, placing the sustainability of the recovery in doubt, this is not a scenario we anticipate. We expect to see further gradual removal of fiscal and monetary supports, a strategy that has already begun in some countries, most notably in China and India. The central reason for our expectation that tightening will take place over an extended period is that export performance, while undoubtedly stronger, has yet to demonstrate sustainable growth. Authorities are unlikely to tighten aggressively with the medium-term recovery in developed economies still uncertain, highlighted by the recent issues in the Eurozone, and a lack of clarity still surrounding Western demand.

With economic fundamentals continuing to improve, valuations among Asian equity markets have moved well above the undervalued levels that existed for much of last year. However, markets have de-rated recently due to global concerns, making Asian stocks look attractively valued again and they

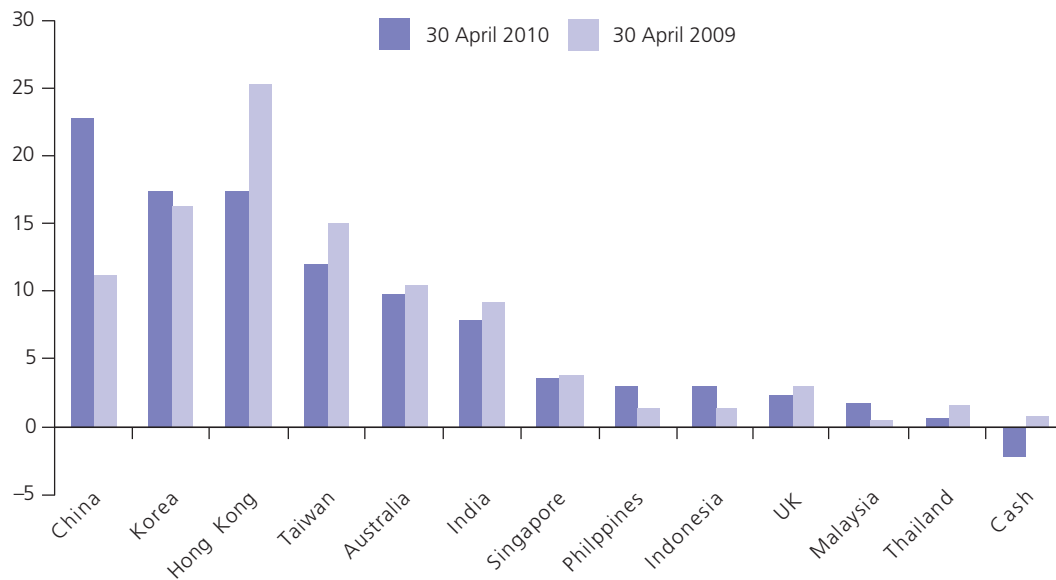
MANAGER'S REPORT

continued

are now trading slightly below their historical averages. Looking ahead, our expectations for this year are positive, but more modest compared with the exceptional returns achieved over the last twelve months. Encouragingly, we continue to find attractive long-term opportunities in specific areas. Volatility is likely to remain a factor in the short-term, particularly with sovereign debt concerns rising in Europe, but we would view any periods of weakness as opportunities to build positions in undervalued and high-quality Asian companies. Consensus estimates indicate earnings growth in the region of 30% to 40% in 2010 which would be very supportive of valuations. We also believe that this kind of earnings growth is achievable, as many Asian companies have aggressively cut costs and are now experiencing a healthy pick-up in demand. Longer-term, the key supports of high savings rates, a young and motivated population and generally low government deficits remain in place. In our view, this should translate into continued outperformance over Western peers and we are optimistic about Asia's long-term potential.

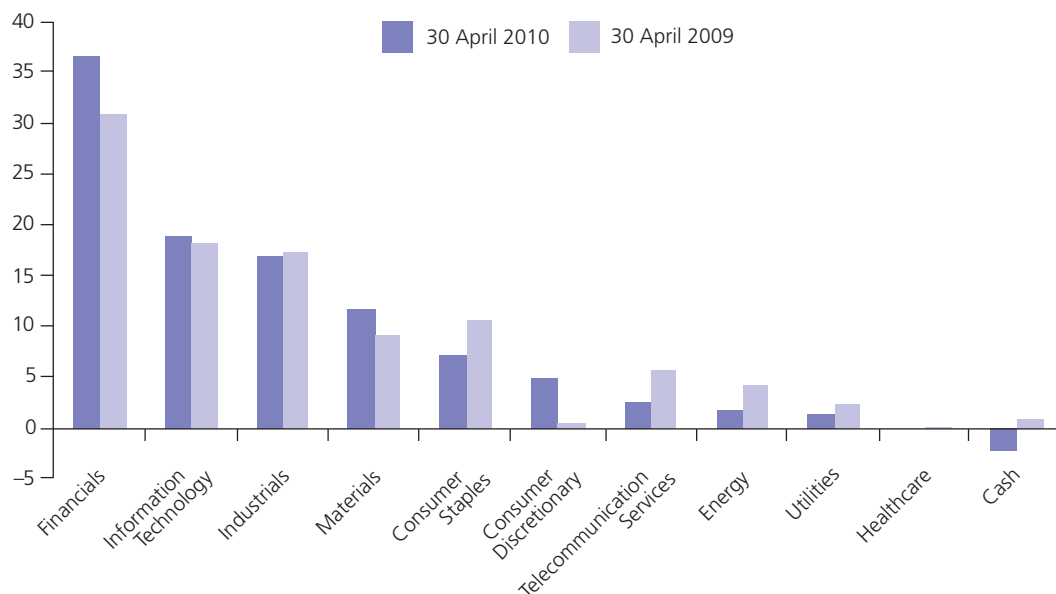
Company Strategy

Geographical Distribution of Investments – %



Source: Invesco

Sector Analysis of Investments – %



Source: Invesco

Strategy

We believe that domestic demand in Asia is likely to be a defining theme for equity markets in the region in the years ahead and the Company is positioned to exploit this opportunity. Currently, we have exposure to high-growth Chinese internet companies which are trading at discounts to the wider market. We remain overweight in the food & beverages sector, as in our view these businesses trade on undemanding valuations and will be able to capitalise on greater demand as both incomes and living standards in Asia rise. We also favour the real estate sector as consumer debt is low, monetary policy remains loose and affordability levels are acceptable. In addition, the long-term shift from rural to urban lifestyles in Asia provides a powerful structural support. Insurance companies make up a significant element of the Company's assets, as we are able to find businesses with strong growth prospects trading on attractive valuations. We also hold selected information technology companies which have come through the downturn with stronger competitive advantages and lower cost bases, enhancing their profitability.

We believe too that robust economic growth coupled with supportive monetary conditions will be positive for businesses in China and Hong Kong which together represent our largest geographic exposure. We have a lower exposure to Australia than the benchmark, as we believe that the country's growth prospects will lag those of its Asian counterparts and we see limited value in materials and Australian banks which represent a large proportion of the Australian market. We are also underweight in some of the smaller Asian markets, including Singapore, Thailand and Malaysia, where valuation levels, although not expensive, should remain low as a result of political uncertainty (in Thailand) or which offer less compelling growth potential relative to that available in the larger Asian countries.

Stuart Parks

Investment Manager

6 July 2010

INVESTMENTS IN ORDER OF VALUATION

AT 30 APRIL 2010

Ordinary shares unless stated otherwise

R: Red Chip Holdings

H: H-Shares

COMPANY	PRINCIPAL ACTIVITY	COUNTRY	AT MARKET VALUE £'000	% OF PORT- FOLIO
Samsung Electronics	Technology Hardware Equipment	South Korea	8,874	5.7
Jardine Matheson	Capital Goods	Hong Kong	6,815	4.4
China Taiping Insurance ^R	Insurance	Hong Kong	4,447	2.9
Taiwan Semiconductor Manufacturing	Semiconductors	Taiwan	4,196	2.7
West China Cement	Materials	United Kingdom	4,031	2.6
Hutchison Whampoa	Capital Goods	Hong Kong	3,687	2.4
United Phosphorus	Materials	India	3,386	2.3
Wharf	Diversified Financials	Hong Kong	3,068	2.0
Jain Irrigation	Capital Goods	India	2,849	1.8
Petrochina	Energy	China	2,847	1.8
Top Ten Holdings			44,200	28.6
Infosys Technologies	Software & Services	India	2,847	1.8
China Mobile ^R	Telecommunication Services	Hong Kong	2,822	1.8
QBE Insurance	Insurance	Australia	2,808	1.8
Hon Hai Precision	Technology Hardware Equipment	Taiwan	2,690	1.8
BHP Billiton	Materials	Australia	2,688	1.8
Daegu Bank	Banking	South Korea	2,680	1.7
Industrial & Commercial Bank of China ^H	Banking	China	2,664	1.7
Hyundai Motor	Automobiles & Components	South Korea	2,638	1.7
Shinhan Financial Group	Banking	South Korea	2,611	1.7
Bank of China ^H	Banking	China	2,593	1.7
Top Twenty Holdings			71,241	46.1
Downer Edi	Commercial & Professional Services	Australia	2,473	1.6
Cheung Kong	Real Estate	Hong Kong	2,432	1.6
Shanda Interactive	Software & Services	China	2,421	1.6
Posco	Materials	South Korea	2,319	1.5
Mediatek	Semiconductors	Taiwan	2,311	1.5
Daphne International	Consumer Durables and Apparel	Hong Kong	2,302	1.5
China Pacific Insurance ^H	Insurance	China	2,224	1.4
China Life Insurance	Insurance	Taiwan	2,161	1.4
Wumart Stores ^H	Food & Staples Retailing	China	2,137	1.4
Zhejiang Expressway ^H	Transportation	China	2,137	1.4
Top Thirty Holdings			94,158	61.0
Newcrest Mining	Materials	Australia	2,080	1.3
Hengan International	Household & Personal Products	Hong Kong	2,045	1.3
Beijing Enterprises ^R	Capital Goods	Hong Kong	2,026	1.3
Venture	Technology Hardware Equipment	Singapore	2,025	1.3
Perusahaan Gas	Utilities	Indonesia	2,018	1.3
Far Eastern New Century	Capital Goods	Taiwan	1,921	1.3
Filinvest Land	Real Estate	Philippines	1,910	1.2
Standard Chartered	Banking	United Kingdom	1,890	1.2
Hyundai Mobis	Automobiles & Components	South Korea	1,800	1.2
Cimb Group Holding	Banking	Malaysia	1,799	1.2
Top Forty Holdings			113,672	73.6

COMPANY	PRINCIPAL ACTIVITY	COUNTRY	AT MARKET VALUE £'000	% OF PORT- FOLIO
Iluka Resources	Materials	Australia	1,797	1.2
Westpac Bank	Banking	Australia	1,753	1.1
Unilever Indonesia	Household & Personal Products	Indonesia	1,741	1.1
HKR International	Real Estate	Hong Kong	1,718	1.1
Polaris Securities	Diversified Financials	Taiwan	1,700	1.1
Metro Bank & Trust	Banking	Philippines	1,686	1.1
Dah Sing	Banking	Hong Kong	1,676	1.1
Housing Development Finance	Banking	India	1,673	1.1
Delta Electronics	Technology Hardware Equipment	Taiwan	1,669	1.1
Shinsegae	Food & Staples Retailing	South Korea	1,573	1.0
Top Fifty Holdings			130,658	84.6
Yingde Gases	Materials	Hong Kong	1,543	1.0
Samsung Fire & Marine	Non-life Insurance	South Korea	1,468	1.0
Noble	Capital Goods	Hong Kong	1,350	0.9
KWG Property Holdings	Real Estate	Hong Kong	1,282	0.8
Sina Corporation	Software & Services	China	1,274	0.8
Parkway Life Real	Real Estate	Singapore	1,249	0.8
Korean Reinsurance	Insurance	South Korea	1,230	0.8
GS Engineering	Capital Goods	South Korea	1,207	0.8
Fosters	Food, Beverages & Tobacco	Australia	1,158	0.8
Chunghwa Telecom	Telecommunication Services	Taiwan	1,136	0.7
Top Sixty Holdings			143,555	93.0
CPN Retail Growth	Real Estate	Thailand	995	0.6
Bank of Baroda	Banking	India	977	0.6
Metro Pacific Investments	Diversified Financials	Philippines	976	0.6
Ehouse China	Real Estate	China	963	0.6
M.P. Evans	Food, Beverages & Tobacco	United Kingdom	922	0.6
Bandar Raya Development	Real Estate	Malaysia		
– Ords			735	0.5
– Warrants			132	0.1
			867	0.6
Petra Foods	Food, Beverages & Tobacco	Singapore	832	0.6
BK Rakyat	Banking	Indonesia	831	0.6
China Real Estate Opportunities	Real Estate	United Kingdom	824	0.5
Hong Kong Aircraft	Transportation	Hong Kong	769	0.5
Top Seventy Holdings			152,511	98.8
Dickson Concept International	Retailing	Hong Kong	655	0.4
Wah Lee Industrial	Capital Goods	Taiwan	390	0.3
Dabur India	Household & Personal Products	India	360	0.2
Jardine Strategic	Capital Goods	Hong Kong	318	0.2
Krisassets Holdings	Capital Goods	Malaysia	111	0.1
TOTAL			154,345	100.0

CLASSIFICATION OF INVESTMENTS BY COUNTRY/SECTOR

AT 30 APRIL

	2010		2009	
	AT VALUATION £'000	% OF PORTFOLIO	AT VALUATION £'000	% OF PORTFOLIO
Australia				
Consumer Staples	1,158	0.8	–	–
Materials	6,565	4.2	3,860	4.0
Industrials	2,473	1.6	1,204	1.2
Financials	4,561	3.0	4,022	4.1
Utilities	–	–	1,160	1.2
	14,757	9.6	10,246	10.5
China				
Energy	2,847	1.9	2,443	2.5
Consumer Staples	2,137	1.4	904	0.9
Industrials	2,137	1.4	748	0.8
Healthcare	–	–	76	0.1
Financials	8,444	5.4	5,642	5.7
Information Technology	3,695	2.4	1,311	1.3
	19,260	12.5	11,124	11.3
Hong Kong				
Consumer Staples	2,045	1.3	3,273	3.3
Materials	1,543	1.0	493	0.5
Consumer Discretionary	2,957	1.9	348	0.3
Industrials	14,965	9.7	8,068	8.2
Financials	14,623	9.5	10,268	10.4
Telecommunication Services	2,822	1.8	2,550	2.6
	38,955	25.2	25,000	25.3
India				
Consumer Staples	360	0.2	188	0.2
Materials	3,386	2.3	2,337	2.4
Industrials	2,849	1.8	1,451	1.5
Financials	2,650	1.7	1,967	2.0
Information Technology	–	–	1,422	1.4
Telecommunication Services	2,847	1.8	1,698	1.7
	12,092	7.8	9,063	9.2
Indonesia				
Consumer Staples	1,741	1.1	851	0.9
Materials	–	–	433	0.4
Financials	831	0.6	–	–
Utilities	2,018	1.3	–	–
	4,590	3.0	1,284	1.3
Malaysia				
Industrials	111	0.1	87	0.1
Financials	2,666	1.7	521	0.6
	2,777	1.8	608	0.7

	2010		2009	
	AT VALUATION £'000	% OF PORTFOLIO	AT VALUATION £'000	% OF PORTFOLIO
Philippines				
Financials	4,572	3.0	1,302	1.4
	4,572	3.0	1,302	1.4
Singapore				
Energy	–	–	345	0.3
Consumer Staples	832	0.6	374	0.4
Industrials	–	–	1,267	1.3
Financials	1,249	0.8	679	0.7
Information Technology	–	–	1,171	1.2
Telecommunication Services	2,025	1.3	–	–
	4,106	2.7	3,836	3.9
South Korea				
Consumer Staples	1,573	1.0	3,813	3.9
Materials	2,319	1.5	985	1.0
Industrials	1,207	0.8	1,283	1.3
Consumer Discretionary	4,438	2.9	–	–
Financials	7,989	5.2	1,942	2.0
Information Technology	8,874	5.7	5,528	5.6
Telecommunication Services	–	–	1,404	1.4
Utilities	–	–	1,228	1.2
	26,400	17.1	16,183	16.4
Taiwan				
Industrials	2,311	1.5	3,839	3.9
Financials	3,861	2.5	3,180	3.2
Information Technology	10,866	7.1	8,094	8.3
Telecommunication Services	1,136	0.7	–	–
	18,174	11.8	15,113	15.4
Thailand				
Energy	–	–	900	0.9
Financials	995	0.6	724	0.7
	995	0.6	1,624	1.6
Other				
Materials	4,031	2.6	1,816	1.8
Financials	2,714	1.7	358	0.4
Consumer Staples	922	0.6	759	0.8
	7,667	4.9	2,933	3.0
Total	154,345	100.0	98,316	100.0

DIRECTORS

David Hinde (Chairman)

(Appointed 17 June 2003)

Qualified and practised as a solicitor for five years before moving into investment banking. Much of his career has been connected with the Far East; from 1977-1982 he worked in Hong Kong with Wardley Limited, part of the HSBC Group, and then returned to London for twelve years to run international corporate finance at Samuel Montagu & Co. Limited, also part of the HSBC Group. From 1994-98 he was an executive director of Dah Sing Group, the Hong Kong-based banking and financial services group, on whose board he remains as a non-executive director. He is also chairman of Macau Property Opportunities Fund.

He is also Chairman of the Nomination and Remuneration Committees.

Robin Baillie

(Appointed 7 April 1995)

Was a director of Standard Chartered PLC from 1983-1994 and managing director of Standard Chartered Merchant Bank from 1977-1985. Subsequently, he held a number of non-executive directorships in a range of public companies. He is a director of Gartmore Irish Growth Fund plc.

He will retire at the end of the forthcoming AGM.

Bryan Lenygon

(Appointed 7 April 1995)

A chartered accountant and a barrister. From 1975-1988 he was a director of Gartmore Investment Management Limited. He is a director of several other investment companies including Small Companies Dividend Trust plc and Chelverton Growth Trust plc.

He is the Chairman of both the Audit Committee and the Management Engagement Committee.

Carol Ferguson

(Appointed 10 March 2009)

Is a non-executive director of Standard Life Smaller Companies Investment Trust plc, Monks Investment Trust plc, Merrill Lynch Greater Europe Investment Trust plc and Vernalis plc. She is also a director and 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.

Tom Maier

(Appointed 10 March 2009)

Is currently the Chief Investment Officer of Carlton Capital Partners. 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 December 2006.

James Robinson

(Appointed 3 January 2007)

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 30 years' investment experience and is a director of Aberdeen New Thai Investment Trust plc, Fidelity European Values plc and chairman of Polar Capital Global Healthcare Growth and Income Trust plc. He is a council member of the British Heart Foundation and a non-executive adviser to BOCM Pauls Limited.

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

ADVISERS AND PRINCIPAL SERVICE PROVIDERS

Manager, Secretary and Registered Office

Invesco Asset Management Limited
 30 Finsbury Square
 London EC2A 1AG
 ☎ 020 7065 4000
 Company Secretarial contacts: Kerstin Rucht and Kelly Nice

Company Number

Registered in England and Wales
 Number 3011768

Invesco Perpetual Investor Services

Invesco Perpetual has an Investor Services Team, available to assist you from 8.30 am to 6.00 pm every working day. Please feel free to take advantage of their expertise.
 ☎ 0800 085 8677

Savings Scheme Administrators

for the Invesco Perpetual Investment Trust Series 2: Savings Scheme

Invesco Perpetual
 c/o The Bank of New York Mellon Ltd
 12 Blenheim Place
 Edinburgh EH7 5JH
 ☎ 0844 892 0998

Custodian

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

Stockbrokers

Arbuthnot Securities Limited
 Arbuthnot House
 20 Ropemaker Street
 London EC2Y 9AR

Registrars

Capita Registrars
 Northern House
 Woodsome Park
 Fenay Bridge
 Huddersfield
 West Yorkshire HD8 0GA

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 on ☎ 0871 664 0300. (Calls cost 10p per minute plus network extras). Lines are open Monday to Friday 8.30 am to 5.30 pm.

Shareholders holding shares directly can also access their holding details via Capita's websites: www.capitaregistrars.com

Capita Registrars provide an on-line 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 up to 10p per minute plus network extras). Lines are open Monday to Friday 8.00 am to 4.30 pm.

Auditor

Grant Thornton UK LLP
 30 Finsbury Square
 London EC2P 2YU

Solicitors

Ashurst LLP
 Broadwalk House
 5 Appold Street
 London EC2A 2HA

SHAREHOLDER INFORMATION

The shares of Invesco Asia Trust plc are quoted on the London Stock Exchange.

Savings Plan and ISA

The Company's ordinary shares are eligible for investment via an ISA.

Invesco Asia Trust plc is also a member of the Invesco Perpetual Investment Trust Series 2: Savings Scheme. Shares in the Company can be purchased via this scheme.

Invesco Perpetual Investment Trust Series 2: Savings Scheme

The Invesco Perpetual Investment Trust Series 2: Savings Scheme allows investors to make monthly purchases from as little as £25 per month or through lump sum investments from £1,000.

For further details of this Invesco Perpetual savings scheme please contact the Invesco Perpetual Investor Services Team free on ☎ 0800 085 8677.

Net Asset Value ('NAV') 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.

Share Price Listings

The price of your shares can be found in the following places:

Financial Times Investment Companies

The Times Investment Companies

Daily Telegraph Investment Trusts

Reuters

ordinary shares IAT.L

subscription shares IATS.L

Bloomberg

ordinary shares IAT.LN

subscription shares IATS.LN

Internet addresses

Invesco Perpetual www.invescopetual.co.uk/investmenttrusts

Trust Net www.trustnet.com

Interactive Investor www.iii.co.uk

The Association of Investment Companies www.theaic.co.uk

Company Website

The Company's website can be located at www.invescopetual.co.uk/investmenttrusts

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 Dividends

Final payable July/August

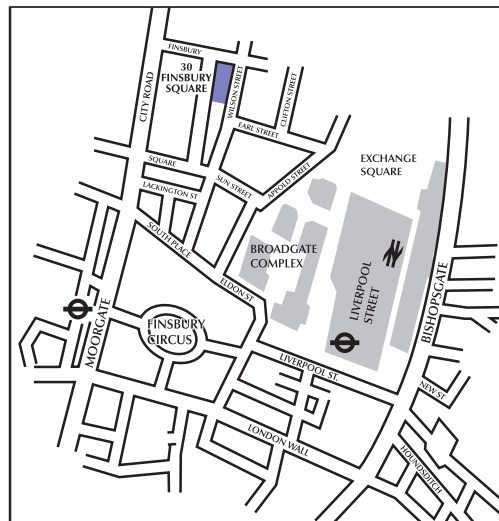
Annual General Meeting July/August

Year-end 30 April

Location and Date of Annual General Meeting

To be held at 12 noon on 5 August 2010 at 30 Finsbury Square, London EC2A 1AG

Following the AGM refreshments will be served.



Subscription Shares

Base cost for the calculation of taxation on capital gains

Trading in the subscription shares issued by the Company to qualifying shareholders commenced on 13 August 2009. Further to the details outlined in the prospectus, for the purposes of UK taxation the issue of subscription shares is treated as a reorganisation of the Company's share capital. Whereas such reorganisations do not trigger a chargeable disposal for the purposes of capital gains, they do require shareholders to reallocate the base costs of their ordinary shares between ordinary shares and subscription shares acquired under the bonus issue.

At the close of business on 13 August 2009, the market values of the Company's ordinary shares and subscription shares were as follows:

Ordinary Shares	115.875p
Subscription Shares	16.875p

Accordingly, an individual investor who, on 11 August 2009, held five ordinary shares (or a multiple thereof) would have received a bonus issue of one subscription share (or the relevant multiple thereof) and would apportion the base cost of such holding 97.17% to the five ordinary shares and 2.83% to the subscription shares.

If you require tax advice, you should contact a qualified tax professional.

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 30 APRIL 2010

Introduction

The Directors present their report together with the audited financial statements of the Company for the year ended 30 April 2010. The Corporate Governance Statement on pages 32 to 37 forms part of this Report of the Directors.

The Report of the Directors incorporates the Business Review and expands on the following areas:

page 18	Nature of the Company
page 18	Investment Objective and Investment Policy
page 19	Life of the Company
page 19	Share Capital and Rights attaching to the Company's Shares
page 21	Share Price and Net Asset Value
page 21	Key Performance Indicators
page 22	Principal Risks and Uncertainties
page 24	Resources, Relationships, Advisers and Principal Service Providers
page 25	Financial Position
page 25	Social and Environmental Policies
page 25	Substantial Holdings in the Company
page 26	Special Business at the Annual General Meeting
page 27	The Manager
page 28	Directors
page 30	Report of the Audit Committee
page 32	Corporate Governance

Nature of the Company

The Company was incorporated and registered in England and Wales on 19 January 1995 and is a public limited company under the Companies Act 2006, registered number 3011768.

The Company is an investment company as defined by section 833 of the Companies Act 2006 and operates as an investment trust in accordance with section 1158 of the Corporation Taxes Act 2010 ('CTA') (previously, section 842 of the Income and Corporation Taxes Act 1988). HM Revenue & Customs have approved the Company's status as an investment trust, subject to there being no subsequent enquiry under Corporation Tax Self Assessment, in respect of the year ended 30 April 2009. In the opinion of the Directors, the Company has subsequently conducted its affairs so as to enable it to maintain such approval. The Board seeks to ensure that the Company is managed in such a way that it will continue to qualify as an investment trust under the provisions of section 1158 of CTA.

Investment Objective and Investment Policy

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 Morgan Stanley Capital International All Countries Asia Pacific ex Japan Index, measured in sterling.

Investment Policy and Risk

Invesco Asia Trust plc invests primarily in the equity securities of companies listed in the stockmarkets of China, Hong Kong, India, Malaysia, Singapore, South Korea, Taiwan, Thailand and 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, among which are the following:

- exposure to any one company (excluding investment trusts) 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; and
- the Company may invest in warrants and options up to a maximum of 10% of total assets. Other derivative instruments are not permitted.

The Company may hedge against exposure to changes in currency rates to the full extent of any such exposure.

All the above limits are applied at the time of acquisition.

Gearing

The Company's gearing policy is determined by the Board. The level of gearing may be varied from time to time in the light of prevailing circumstances, subject to a maximum of 25% of the Company's net assets at any time.

Company Business

A review of the Company's business is provided in the Chairman's Statement on pages 4 and 5 and in the Manager's Report on pages 6 to 9.

The Board does not at present envisage any significant changes to the business of the Company. No important events affecting the Company have occurred since the end of its financial year.

Life of the Company

In accordance with the Company's Articles of Association, the Board will ask shareholders every three years to release them from the obligation to convene an Extraordinary General Meeting ('EGM') and put forward proposals that the Company be wound up on a voluntary basis pursuant to Section 84(1) Insolvency Act 1986 (a 'Liquidation Resolution').

The last General Meeting at which shareholders approved the continuation of the Company was the AGM in 2007. The Board will ask to be released from the obligation to wind up the Company at the forthcoming AGM and an Ordinary Resolution to this effect can be found in the Notice of Meeting on page 60.

Should shareholders decide at this AGM that they do not wish the Company to continue, then an EGM will be convened in 2011 on or within 7 business days prior to the accounting reference date (30 April) and a Liquidation Resolution will be proposed.

The financial statements have been drawn up on a going concern basis as detailed in note 1(a) to the financial statements.

Share Capital and Rights Attaching to the Company's Shares

Share Capital

The Company has the authority to issue new shares, to buy back shares into treasury and to buy back shares for cancellation. During the year the Company did not issue any ordinary shares or buy back any ordinary shares into treasury or for cancellation.

At the Extraordinary General Meeting on 12 August 2009, shareholders approved a bonus issue of subscription shares as described in the Company's prospectus dated 13 July 2009. Pursuant to the approval of the Company's proposals, the Company's authorised share capital was increased by £200,000 by the creation of 20 million 1p subscription shares; on 13 August 2009 the Company then issued 18,767,485 subscription shares as a bonus issue. Further details of the subscription shares are set out below.

At the year end the Company's share capital consisted of 93,837,425 ordinary shares and 18,767,485 subscription shares.

REPORT OF THE DIRECTORS

continued

Rights Attaching to the Ordinary Shares

Under the Company's Articles of Association, any share 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.

Unless the Board decide otherwise, no shareholder is entitled to attend or vote either personally or by proxy at a general meeting or to exercise any other right conferred by being a shareholder if he or any person with an interest in shares has been sent a notice under section 793 of the Companies Act 2006 (which confers upon public companies the power to require information with respect to interests in their voting shares) and he or any interested person fails to supply the Company with the information requested within 14 days after delivery of that notice. The Board may also decide that no dividend is payable in respect of those default shares and that no transfer of any default shares shall be registered. These restrictions end seven days after receipt by the Company of a notice of an approved transfer of the shares or all the information required by the relevant section 793 notice, whichever is the earlier.

Rights Attaching to the Subscription Shares

On 31 August (the 'subscription date') in each of the years 2010 to 2012, subscription shareholders have the right to convert all or any of their subscription shares into fully paid ordinary shares of 10p each on the basis of one ordinary share for every subscription share so converted at a price of 125p per share (being the unaudited net asset value per Share at the close of business on 10 August 2009 rounded up to the nearest five pence). Not later than 28 days before each subscription date, the Company will give notice in writing to subscription shareholders reminding them of their subscription rights and providing the appropriate information required for conversion.

The holders of the subscription shares are not entitled to any right of participation in the profits of the Company. On a return of capital on liquidation or otherwise the assets of the Company shall be applied, *pari passu* with any payment to the holders of the ordinary shares, in repaying to the holders of the subscription shares a sum equal to the nominal capital paid up or credited as paid up on the subscription shares held by them respectively. The holders of the subscription shares are not entitled to any further right of participation in the assets of the Company.

Subscription shareholders have the right to receive notices of general meetings and to attend, speak and vote at a general meeting only if a resolution is to be proposed abrogating, varying or modifying any of the rights or privileges of the subscription shares and then only on such resolution. Wherever the holders of the subscription shares are entitled to vote at a general meeting, every subscription shareholder has one vote on a show of hands and on a poll one vote for each subscription 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.

Restrictions on the Transfers of Ordinary or Subscription Shares

The Directors may refuse to register any transfer of any ordinary or subscription share which is not a fully-paid share, although such discretion may not be exercised in a way which the Financial Services Authority regards as preventing dealings in the ordinary or subscription classes from taking place on an open or proper basis. The Directors may likewise refuse to register any transfer of an ordinary or subscription share in favour of more than four persons jointly. As at 30 April 2010, the Company's issued share capital did not include any ordinary or subscription shares that were not fully paid.

The Company is not aware of any other restrictions on the transfer of ordinary or subscription 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.

Results

The results for the year are shown in the income statement on page 42.

Share Price and Net Asset Value

On 30 April 2010 the mid-market price and the diluted net asset value per 10p ordinary share were 138.3p (2009: 94.5p) and 154.9p (2009: 105.1p) respectively.

Key Performance Indicators

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

- Asset Performance
- Dividends
- Peer Group Performance
- Discount
- Total Expense Ratio

Asset Performance

In reviewing the performance of the assets in the Company's portfolio the Board reviews the net asset value ('NAV') in relation to the benchmark index, the MSCI All Countries Asia Pacific ex Japan Index (adjusted for sterling), also comparing performance with that of other investment trust companies investing in this sector of the market.

On a capital return basis, the diluted NAV of the Company rose by 47.4% during the course of the year compared with a rise of 46.6% in the benchmark index. The total return on the diluted NAV was 55.1% compared to the index total return of 50.9% (source: Invesco and Thomson Financial Datastream).

Dividends

Subject to approval at the AGM the proposed final dividend for the year ended 30 April 2010 of 2.25p (2009: 1.5p) per share will be payable on 13 August 2010 to shareholders on the register on 16 July 2010.

Peer Group Performance

There are currently some 300 investment trust companies in the UK, of which there are 14 investing in the Asia Pacific Excluding Japan sector. The Board monitors the performance of the Company in relation to both the sector as a whole and to those companies within it which most closely match its objectives and capital structure.

As at 30 April 2010, the Company was ranked number 10 in its sector over 1 year, number 7 in its sector over 3 years and number 6 in its sector over 5 years (source: JPMorgan Cazenove).

Discount

The Board monitors the price of the shares in relation to their NAV and the premium/discount at which the Company's shares trade. During the year the shares traded at a discount to NAV in a range of 3.4% to 11.1%. At the year-end the discount to the diluted NAV (ex income) stood at 9.6%.

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 higher than desired and shares are available in the market. The Board is of the view that the principal purpose of share repurchases is to enhance net asset value for 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.

REPORT OF THE DIRECTORS

continued

The Board has also decided that it would be in the interests of shareholders as a whole to propose a tender offer at the end of the current financial year ending 30 April 2011 (subject to receiving necessary shareholder approval) for up to 15% of the Company's issued share capital, at a 2% discount to NAV less the costs of the tender, if the Company's shares have traded over the year to 30 April 2011 at an average discount of more than 10% to NAV (fully diluted, ex income).

Total Expense Ratio ('TER')

The expenses of managing the Company are carefully monitored by the Board at every meeting. It is the intention of the Board to seek to minimise the TER which provides a guide to the effect on performance of all annual operating costs. The TER for the year was 1.1% (2009: 1.2%) based on management fees and other expenses of £1,483,000 (2009: £1,121,000), including those charged to capital.

Main Trends and Factors Likely to Affect the Future Development, Performance and Position of the Company's Business

Details of the main trends and factors likely to affect the future development, performance and position of the Company's business can be found in the Investment Manager's Report on pages 6 to 9. Further details as to the risks affecting the Company are set out below under 'Principal Risks and Uncertainties'.

Principal Risks and Uncertainties

The principal risk factors relating to the Company can be divided into the following areas:

Investment Objective

The Company's investment objective is described on page 18. There is no guarantee that the Company's investment objective will be achieved or will provide the returns sought by the Company.

Investment Process

At the core of the investment 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 is structured to provide 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 investment management team travels to the region between three and four times per year. In total the team has contact with around 700 companies a 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 his 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 portfolios are always 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 between managers 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 economies in the Far Eastern region. The Board recognises that market conditions will affect portfolio performance. For a fuller discussion of the economic and market conditions facing the Company and the prospects for future performance, please see the Chairman's Statement and the Manager's Report on pages 4 to 9.

Market Movement and Portfolio Performance

The Company's investments are traded on the Far Eastern, Indian and Australasian stockmarkets. 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. Additionally, performance can be geared by bank borrowings which may accentuate any decline in performance. Other significant risks include consistent underperformance by the Manager, or the market rating of the Company failing to reflect good performance.

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. The Manager strives to maximise the return from the investments held, but these investments are influenced by market conditions and the Board acknowledges the external influences on portfolio performance.

While the Board obviously cannot influence market movements, it is vigilant in monitoring and taking steps to mitigate the effects of falls in markets when they occur. As has been indicated, the Manager's performance is carefully monitored by the Board, and the continuation of the Manager's mandate is revisited annually. The Board has established guidelines to ensure that the investment policy that it has approved is pursued by the Manager. The Board and the Manager maintain an active dialogue with the aim of ensuring that the market rating of the Company's shares reflects the underlying net asset value, and buy-back facilities are in place to assist in the management of this process. Share issuance facilities were rejected by shareholders at the AGM held in 2009.

The past performance of the Company, and all of the investments in the portfolio, are not necessarily indicative of future performance.

Foreign Exchange Risks

The Company will account for its activities and report its results in sterling, while investments will be made and realised in other currencies. The net asset value of the Company will be reported in sterling. It is not generally the Company's policy to engage in currency hedging. Accordingly, the movement of exchange rates between sterling and the other currencies in which the Company's investments are denominated or its borrowings are drawn down may have a material effect, unfavourable or favourable, on the returns otherwise experienced on the investments made by the Company.

The Ordinary Shares

The market value of, and the income derived from, the Company's ordinary shares can fluctuate and may go down as well as up. The market value may not always reflect the NAV per ordinary share. The market price of an ordinary share may therefore trade at a discount to its NAV. As at 30 April 2010, an ordinary share of the Company traded at a discount to the diluted NAV (ex income) of 9.6%.

The market value of the ordinary shares will be affected by a number of factors, including the dividend yield from time to time of the ordinary shares, prevailing interest rates and supply and demand for those ordinary shares, along with wider economic factors and changes in the law, including tax law and political factors. The market value of an ordinary share may therefore vary considerably from its underlying value. There can be no guarantee that any appreciation in the value of the Company's investments will occur and investors may not get back the full value of their investment.

Although the ordinary shares are listed on the Official List and admitted to trading on the London Stock Exchange's main market for listed securities, it is possible that there may not be a liquid market in the ordinary shares and shareholders may have difficulties in selling them.

Derivatives

The Company may enter into derivative transactions 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 an imperfect correlation, the Company may be exposed to greater loss than if the derivative had not been entered into.

REPORT OF THE DIRECTORS

continued

Gearing

Performance may be geared by way of an unsecured £15 million credit facility with its Custodian, the Bank of New York Mellon. In current market conditions, there is no guarantee that the Company's loan facility would be renewable at maturity or on terms acceptable to the Company. If it were not possible to renew this facility or replace it with another lender, the amounts owing by the Company would need to be funded by the sale of securities.

Gearing levels may change from time to time in accordance with the investment manager's assessment of risk and reward. As a consequence of gearing, any reduction in the value of the Company's investments would lead to a correspondingly greater reduction in its net asset value (which is likely to affect the Company's share price adversely). Any reduction in the number of shares in issue (for example as a result of buy-backs) will, in the absence of a corresponding reduction in borrowings, result in an increase in the Company's gearing.

Regulatory and Tax Related

The Company is subject to various laws and regulations by virtue of its status as an investment trust and its listing on the London Stock Exchange. A breach of s1158 CTA (previously s842 ICTA) could lead to the Company being subject to capital gains tax on the profits arising from the sale of its investments. A serious breach of other regulatory rules might lead to suspension from the Stock Exchange or to a qualified Audit Report. Other control failures, either by the Manager or any other of the Company's service providers, might result in operational or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.

The Manager reviews the level of compliance with s1158 CTA (previously s842 ICTA) and other financial regulatory requirements on a regular 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 regular reports for review by the Company's Audit Committee. Risks and risk management policies are also detailed in note 19 to the financial statements on page 55.

Resources

The Company is an investment trust which outsources its management, company secretarial and administrative functions. As a result, the Company has no employees. However, through the contractual arrangements in place, a full range of services is available to it. The most significant contract is with the Manager, Invesco Asset Management Limited ('IAML'), to whom responsibility for the management of the portfolio is delegated. The Board reviews the performance of the Manager at every Board Meeting and otherwise as appropriate.

The day-to-day responsibility for the management of the portfolio rests with the investment managers led by Stuart Parks.

The Board has adopted guidelines within which the Manager is permitted wide discretion; any proposed variations outside these parameters are referred to the Board. The Board has the power to replace the Manager and reviews the management contract formally every year. The outcome of this review is commented on in page 28.

Other contractual arrangements govern relationships with the Company Secretary and Administrator, Auditor, Broker, Registrar and Custodian. These contracts are also reviewed by the Board on a regular basis and, more formally, on an annual basis.

Relationships

Through the annual and half-yearly financial reports, interim management statements, monthly factsheets, the publication of a daily NAV, the Company's website, the AGM and other methods the Board endeavours to ensure that shareholders understand the Company's investment objectives and policies and that the Board, both independently and through the Manager, reviews its objectives and policies in the light of feedback from shareholders. The Board monitors and reviews shareholder communications on a regular basis.

Advisers and Principal Service Providers

The Company's main supplier of services is the Manager who provides both Investment Management Services and Company Secretarial and Administrative support.

The Company has the following additional advisers and principal service providers:

- Arbutnot Securities Limited as Corporate Broker,
- Grant Thornton UK LLP as Auditor,
- Capita Registrars as Registrars,
- The Bank of New York Mellon as Custodian, and
- Ashurst LLP as Solicitors

The custody of the Company's assets was transferred from JPMorgan Chase Bank to the Bank of New York Mellon on 25 September 2009.

Further details of the advisers and principal service providers can be found on page 15.

Financial Position

Assets and Liabilities

At 30 April 2010 the Company's net assets were valued at £150.9 million (2009: £98.7 million). These comprised a portfolio of equity investments, net current assets and cash. The Company has a £15 million committed revolving credit facility and at the year-end £5 million was drawn down. Rates of interest on borrowings are related to LIBOR. All drawings are in sterling and it is not the Board's policy to maintain large foreign currency balances.

Gearing Policy

The gearing policy is determined by the Board which has established a gearing limit of a maximum of 25% of net assets. The Board and the Manager regularly review gearing and will continue to monitor the level closely.

Due to the readily realisable nature of the Company's assets, cash flow does not have the same significance as for an industrial or commercial company. The Company's principal cash flows arise from the purchase and sales of investments and the income from investments against which must be set the costs of borrowing as well as management and administration expenses.

Social and Environmental Policies

As an investment trust company with no employees, property or activities outside investment management, 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.

At the AGM in 2008, the Directors received approval from a majority of shareholders to send or supply documents or information to shareholders in electronic form (for example by e-mail) or by means of a website. This should deliver significant environmental benefits through reduced use of paper and of the energy required for its production and distribution.

Substantial Holdings in the Company

At 31 May 2010, the Company had been notified of the following holdings of 3% and over of the Company's issued share capital carrying unrestricted voting rights:

REPORT OF THE DIRECTORS

continued

	<i>Holding</i>	<i>%</i>
City of London Investment Management	25,328,054	27.0
Lazard Asset Management	8,815,066	9.4
Derbyshire County Council Pension Fund	8,725,000	9.3
Rathbones	4,361,389	4.6
BAE Systems Pensions	4,198,000	4.5
Legal & General Investment Management	3,541,081	3.8

Special Business at the Annual General Meeting ('AGM')

Shareholders will find on page 60 the notice of the forthcoming AGM of the Company to be held on 5 August 2010. In addition to the ordinary business of the meeting, six resolutions are proposed as special business. These will be proposed as two Ordinary Resolutions and four Special Resolutions as follows:

Continuation Vote

Ordinary Resolution 7 will be proposed as the Directors seek release from their obligation under the Company's Articles of Association to convene a General Meeting to be held on the business day, falling on or within 7 days prior to the accounting reference date of the Company falling in 2011, (within 7 days prior to 30 April 2011), at which a Special Resolution would be proposed providing for the Company to be wound up on a voluntary basis.

Authority to Allot Shares

By law, Directors are not permitted to allot new shares (or to grant rights over shares) unless authorised to do so by shareholders. In addition, Directors require specific authority from shareholders before allotting new shares (or granting rights over shares) for cash without first offering them to existing shareholders in proportion to their holdings. Resolution 8 is an Ordinary Resolution which seeks to give Directors authority to allot up to £938,374 or 10% of the Company's issued ordinary share capital. This will allow the Directors to issue ordinary shares within the prescribed limits should any favourable opportunities arise to the advantage of shareholders. The powers authorised will not be exercised at a price below net asset value of the relevant shares so that interests of existing shareholders are not diluted.

Resolution 9 is a Special Resolution which seeks authority to issue new ordinary shares pursuant to a rights issue or otherwise than in connection with a rights issue of up to an aggregate nominal amount of £469,187, or 5% of the Company's issued ordinary share capital, disapplying pre-emption rights. This will allow ordinary shares to be issued to new shareholders without having to be offered to existing shareholders first, thus broadening the shareholder base of the Company. These authorities will expire at the AGM in 2011.

The Resolutions provide the Directors with a degree of flexibility to increase the size of the Company by the issue of new shares, should any favourable opportunities arise to the advantage of shareholders. The Directors would not use the authority to dilute the interests of existing shareholders by issuing shares at a price which is less than the NAV attributable to the shares.

Authority to Buy Back Ordinary Shares

The Directors were granted authority at last year's AGM to buy back ordinary shares for cancellation or holding in Treasury. However, no ordinary shares were bought back during the year.

The Directors are seeking to renew this authority and Special Resolution 10, a resolution to purchase in the market, for cancellation or holding in Treasury, up to 14,066,230 ordinary shares (being 14.99% of the issued ordinary share capital as at 6 July 2010) will be proposed at the AGM. This authority, if approved, will expire at the Company's next AGM, unless renewed. The Directors intend that the authority to purchase the Company's shares will only be exercised when such a purchase would be in the best interests of shareholders generally.

Purchases of ordinary shares will only be made through the market for cash at prices below the prevailing NAV per ordinary share. Under the Listing Rules of the Financial Services Authority, the

maximum price which can be paid is 5% above the average of the middle market values of the ordinary shares for the five business days before the purchase is made. The minimum price which may be paid is 10p per share, this being the nominal value of a share. In making purchases, the Company will deal only with member firms of the London Stock Exchange.

The Company will finance the purchase of ordinary shares by using cash or by cash generated by selling securities in the Company's portfolio.

As companies may also hold shares repurchased as Treasury Shares with a view to a possible resale at a future date as an alternative to simply having to cancel them, the Directors might consider holding repurchased share as Treasury Shares with a view to possible resale. The disapplication of pre-emption rights has been extended to Treasury Shares with a view to possible resale and to apply to the resale of Treasury Shares (if any) in the same way as to the allotment of new securities.

Authority to Buy Back Subscription Shares

The Directors were granted authority at the General Meeting on 12 August 2009 to buy back subscription shares for cancellation. However, no subscription shares were bought back during the period to the year-end.

The Directors are seeking to renew this authority and Special Resolution 11, a resolution to purchase in the market for cancellation up to 2,813,246 subscription shares (being 14.99% of the issued subscription share capital as at 6 July 2010) will be proposed at the AGM. This authority, if approved, will expire at the Company's next AGM, unless renewed. The Directors intend that the authority to purchase the Company's subscription shares will only be exercised when, in their view, such a purchase would be in the best interests of shareholders generally.

Calling General Meetings at 14 days' Notice

The EU Shareholder Rights Directive that came into effect on 3 August 2009 amended the Companies Act 2006 so that the notice period for a general meeting is 21 days (previously 14 days). However, companies are able to propose a special resolution each year permitting them, if passed, to continue to call general meetings (other than AGMs) on a 14 day notice period if they allow voting by electronic means.

With Special Resolution 12 the Board again seeks shareholders' authority to call any general meetings other than AGMs on a 14 day notice period, should that be necessary. If approved, this authority will need to be renewed at every AGM of the Company.

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 (excluding 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.

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.

The Manager also provides full administration, company secretarial and accounting services to the Company, ensuring that the Company complies with all legal and regulatory requirements and

REPORT OF THE DIRECTORS

continued

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 meets at least annually, specifically to consider the ongoing investment management, secretarial and administrative requirements of the Company. The ongoing requirements of the Company and services received are assessed with reference to key performance indicators as set out on pages 21 and 22.

Performance is reviewed by reference to the MSCI All Countries Asia Pacific ex Japan Index and to peer group performance. 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 of activities, 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.

Directors

Directors are elected by ordinary resolution at a general meeting of ordinary shareholders. The Directors have the power to appoint a Director during the year, but any person so appointed must stand for election by shareholders at the next Annual General Meeting.

Subject to its Articles of Association and relevant statutory law and to such direction as may be given by the Company in general meeting by special resolution, the business of the Company shall be managed by the Directors, who may exercise all powers of the Company which are not required to be exercised by the Company in general meeting.

The present members of the Board, all of whom served throughout the year, are listed on page 14, together with their biographies. In accordance with the Company's Articles of Association, at every AGM there shall retire from office any Director who shall have been a Director at each of the preceding two AGMs and who was not elected or re-elected by the Company in general meeting since. A retiring Director is eligible for re-election.

In accordance with the Board's tenure policy set out in the Corporate Governance Statement on page 34, long serving Directors will retire at every AGM and offer themselves for re-election. Therefore, Bryan Lenygon is retiring and offering himself for re-election at the Company's AGM, having served on the Board for over 9 years.

As already mentioned in last year's annual financial report, Mr Baillie will retire from the Board of the Company at the end of this year's AGM.

James Robinson was elected at the Company's AGM in 2007 and therefore retires and offers himself for re-election at this forthcoming AGM.

Carol Ferguson and Tom Maier having been elected, and David Hinde having been re-elected at the AGM in 2009, will not need to retire and seek re-election before the AGM in 2012.

The following table sets out the number of Directors' meetings (including committee meetings) held during the year and the number of meetings attended by each Director:

	BOARD MEETINGS		AUDIT COMMITTEE MEETINGS		MANAGEMENT ENGAGEMENT COMMITTEE MEETINGS	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
David Hinde, Chairman	5	5	2	2	1	1
Robin Baillie	5	5	2	2	1	1
Bryan Lenygon	5	5	2	2	1	1
James Robinson	5	5	2	2	1	1
Carol Ferguson	5	5	2	2	1	1
Tom Maier	5	5	2	2	1	1

Apart from the Board, Audit and Management Engagement Committee meetings detailed above, there were a number of meetings held by a Committee of the Board to deal with *ad hoc* items.

In the opinion of the Board, all Directors are independent of the Company's Manager. Until 2 June 2010, Mr Baillie was also a director of City Merchants High Yield Trust plc which is managed by Invesco Asset Management Limited and, under the Listing Rules of the UK Listing Authority, he was not considered independent. However, the Board considered that his position as a director of City Merchants High Yield Trust plc did not affect his independence on matters relating to the Company.

Directors' Interests

The beneficial interests of the Directors in the share capital of the Company at 30 April are set out below:

	2010 NUMBER OF ORDINARY SHARES	2009 NUMBER OF ORDINARY SHARES	2010 NUMBER OF SUBSCRIPTION SHARES	2009 NUMBER OF SUBSCRIPTION SHARES
David Hinde	10,000	10,000	2,000	2,000
Robin Baillie	5,000	5,000	1,000	1,000
Bryan Lenygon	–	–	–	–
Carol Ferguson	10,000	10,000	2,000	2,000
Tom Maier	7,400	3,400	680	680
James Robinson	10,000	10,000	2,000	2,000

Save as aforesaid, no Director had any interest, beneficial or otherwise, in the shares of the Company at any time during the year.

On 13 May 2010, Tom Maier purchased 4,000 ordinary shares at a price of 137p per share. No other changes in the above interests occurred between the year-end and 6 July 2010.

Related Party Transactions

David Hinde, the Chairman of the Company, is a non-executive director of Dah Sing Banking Group, and the Fund holds shares in that company equivalent to 1.1% (2009: 1.1%) of the value of the portfolio. The Board has delegated authority for investment selection to the Manager and the Manager has selected this investment independently in accordance with the investment objective set out on page 18. The Board as a whole reviews the investment portfolio on a regular basis and is satisfied that the investment was selected in an objective manner and that no conflict of interest has arisen as a result of the selection of this stock.

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 Deeds of Indemnity with Directors under which Directors are indemnified by the Company for, *inter alia*, costs incurred in defending claims made by third parties.

Conflicts of Interest

The Companies Act 2006 sets out directors' general duties which largely codify the existing law but with some changes. Under section 175 of the 2006 Act, from 1 October 2008, 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 requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The 2006 Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty.

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.

REPORT OF THE DIRECTORS

continued

There are safeguards which will apply when Directors decide whether to authorise a conflict or potential conflict. Only Directors who have no interest in the matter being considered will be able to take the relevant decision. Moreover, in taking the decision the Directors must act in a way they consider, in good faith, will be most likely to promote the Company's success. The Directors will be able to impose limits or conditions when giving authorisation if they think this is appropriate.

It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

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.

Deeds of Indemnity

Under the terms of Deeds of Indemnity a Director may be indemnified out of the assets of the Company against all costs, charges, expenses, losses and liabilities which he may sustain or incur in or about the discharge of his duties or the exercise of his powers or discretions as a Director of the Company. This includes any liability incurred by the Director in disputing, defending, investigating or providing evidence in connection with any actual or threatened or alleged claims, demands, investigations or proceedings whether civil or criminal, and any settlement in respect thereof. Directors will continue to be indemnified under the terms of the indemnities notwithstanding that they may have ceased to be Directors of the Company.

However, Directors will not be entitled to be indemnified for any liability to the Company, for fines payable to regulatory authorities, for defending any criminal proceedings in which they are convicted or in defending any civil proceedings brought by the Company. In the event that judgment is given against a Director in relation to any claim, the Director will repay to the Company any amount received from the Company under his indemnity. The indemnity does not apply to the extent that a liability is recoverable from any insurers, if it is prohibited by the Companies Act 2006 or otherwise prohibited by law, if it relates to tax payable on remuneration or other benefits received, or if a liability arises from an act or omission of the Director which is shown to have been in bad faith or arising from gross negligence.

Directors' and Officers' Liability Insurance

The Company maintains a Directors' and Officers' liability insurance policy.

Report of the Audit Committee

The Audit Committee is responsible to the Board for reviewing each aspect of the financial reporting process, the Manager's systems of internal control, the management of financial risks, the audit process, relationships with the external auditors, the Company's processes for monitoring compliance with laws and regulations, its code of business conduct and for making recommendations to the Board.

The Company's internal financial controls and risk management systems have been reviewed with the Manager against the risk parameters approved by the Board. The Committee has also received a satisfactory report on the Manager's internal operations from the Manager's Compliance and Internal Audit Officers.

The audit focus and timetable was drawn up and agreed with the auditor in advance of the Company's financial year-end and the results of the audit work were reported on by the auditor in their audit review for the Committee. The audit review was considered by the Committee and discussed with the auditor and the Manager prior to approval and signature of these financial statements.

The Committee reviewed the financial statements for the year ended 30 April 2010 with the Manager and the auditors at the conclusion of the audit process. There were no matters arising from the audit that needed to be brought to the Board's attention.

The Committee has recommended approval by the Board of an audit fee of £21,000, exclusive of expenses and VAT. The Committee has considered and are satisfied with the objectivity and the independence of the Auditors.

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

Audit Information

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and that each Director has taken all the steps that he ought reasonably to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This information is given in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

The Audit Committee has considered the independence of the Auditor and the objectivity of the audit process and is satisfied that Grant Thornton UK LLP has fulfilled its obligations to shareholders and as independent auditor to the Company.

A resolution proposing the re-appointment of Grant Thornton UK LLP as the Company's auditor and authorising the Directors to determine their remuneration will be put to the forthcoming AGM.

Individual Savings Account ('ISA')

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

Creditor Payment Policy

It is the Company's policy to obtain the best terms for all business, including purchases of investments, and to abide by those agreed terms. It is the Company's policy to settle all investment transactions according to settlement periods established for the relevant markets. The Company had no trade creditors at 30 April 2010 (2009: nil).

Donations

The Company made no charitable or political donations during the year.

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. 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, and the ability of the Company to meet all of its liabilities and ongoing expenses.

As previously explained, an ordinary resolution to release the Directors from their obligation to convene a General Meeting in 2011 to wind up the Company is to be proposed at the Annual General Meeting on 5 August 2010. After making enquiries, the Directors have no reason to believe that such a resolution will not receive shareholders' approval.

Accordingly the accounts do not include any adjustments which might arise from the reconstruction or liquidation of the Company.

By order of the Board

Invesco Asset Management Limited

Secretary

30 Finsbury Square
London EC2A 1AG

6 July 2010

CORPORATE GOVERNANCE

Directors' Statement of Compliance with the revised Association of Investment Companies' Code of Corporate Governance (the 'AIC Code') and the AIC's Corporate Governance Guide for Investment Companies ('AIC Guide')

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

The 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.

On 3 February 2006, the Financial Reporting Council ('FRC') first confirmed that AIC member companies who report against the AIC Code and who follow the AIC Guide would meet their obligations in relation to the Combined Code on Corporate Governance and paragraph 9.8.6 of the Listing Rules (relating to additional items to be included in the annual financial report). On 20 February 2009 the FRC provided the AIC with an updated endorsement to cover the 2009 edition of the AIC Code. This statement describes how the principles of the AIC Code and Guide have been complied with in the affairs of the Company. Any reference to the 'AIC Code' in this statement includes references to the AIC Guide.

The Board of Invesco Asia Trust plc has considered the principles and recommendations of the AIC Code by reference to the AIC Guide. The AIC Code, as explained by the AIC Guide, addresses all the principles set out in Section 1 of the Combined Code, as well as setting out additional principles and recommendations on issues that are of specific relevance to Invesco Asia Trust plc.

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

The Company has complied with the recommendations of the AIC Code and the relevant provisions of Section 1 of the Combined Code, except as set out below:

The Combined 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 in the preamble to the Combined Code, the Board considers these provisions are not relevant to the position of Invesco Asia Trust plc, being an externally-managed investment company. The Company has therefore not reported further in respect of these provisions.

Copies of the AIC Code and AIC Guide can be found on the AIC's website at www.theaic.co.uk.

Directors

Independence

The Board currently consists of six non-executive Directors, all of whom the Board regards as independent of the Company's Manager.

Robin Baillie was a director of City Merchants High Yield Trust plc, an investment trust company managed by Invesco Asset Management Limited until 2 June 2010, and was therefore not considered independent under the Listing Rules. However, the Board considered that Mr Baillie's position as a Director of City Merchants High Yield Trust plc did not affect his independence on matters relating to the Company and did not compromise his integrity or impartiality in carrying out his responsibilities as a Director of the Company. Mr Baillie intends to retire from the Board at the end of this year's AGM.

The Board has considered the continued appointment and the independence of Bryan Lenygon, who was appointed to the Board at the Company's inception in 1995. It was concluded that he continues to be effective, to make valuable contributions to the Board and to show commitment to his role. Furthermore, his independence from the Company's Manager is not compromised by his length of service but, to the contrary, is strengthened by experience. Bryan Lenygon will seek re-election annually. In this respect the Board complies with the AIC Code whereby Directors should submit themselves for re-election annually should their service total more than nine years.

Chairman

The Chairman is David Hinde, a non-executive Director. Since all Directors are non-executive and day-to-day management responsibilities are sub-contracted to the Manager, the Company does not have a Chief Executive Officer. The Chairman will respond to shareholders' questions at the AGM.

Senior Independent Director

The Directors are equally responsible under the law for the proper conduct of the Company's affairs. The Board does not therefore consider it necessary to identify a senior independent director as recommended by the Code. All the Directors are therefore available to shareholders if they have concerns which contact through the normal channels of Chairman or Manager have 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 14.

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.

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 Company's website www.invescoperpetual.co.uk/investmenttrusts.

The Board also seeks to ensure that shareholders are provided with sufficient information in order to understand the risk/reward balance to which they are exposed by holding their shares, through the portfolio details given in the annual and half-yearly reports, interim management statements, factsheets and daily net asset value disclosures.

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.

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.

CORPORATE GOVERNANCE

continued

The Manager's Responsibilities

The Manager is responsible for the day-to-day investment management decisions and for provision of company secretarial and accounting services. A statement of the Manager's responsibilities is shown on page 27 in the Report of the Directors.

The Board has reviewed and accepted the Manager's 'whistleblowing' policy under which staff of Invesco Asset Management Limited can, in confidence, raise concerns about possible improprieties or irregularities in matters affecting the Company.

Appointment, Re-election and Tenure of Directors

All non-executive Directors are members of the Nomination Committee under the Chairmanship 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 Company's website.

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 Company's website (www.invesco-perpetual.co.uk/investmenttrusts), 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. As James Robinson was elected at the Company's AGM in 2007, he will stand for re-election at the forthcoming AGM. David Hinde, Carol Ferguson and Tom Maier were elected at the Company's AGM in 2009 and will therefore stand for re-election in 2012.

A Director's normal tenure of office will be for three terms of three years, except that the Board may determine otherwise if it is considered that he remains independent and his 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. This applies to Bryan Lenygon.

The Articles of Association provide that the Directors may, by notice in writing, remove any Director from the Board without notice or compensation.

The Chairman confirms that the performance of all Directors is and continues to be effective and demonstrates commitment to the role. He recommends to shareholders the approval of Resolutions 5 and 6 relating to the Directors seeking to be re-elected.

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 and experience 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.

Directors' Remuneration

Details of the Company's policy on remuneration and of payments to Directors are given in the Directors' Remuneration Report on pages 38 and 39.

The 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.

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.

Accountability and Audit

The Directors' responsibilities for the Company's accounting records and financial statements are set out on page 40. The Independent Auditor's Report appears on pages 41 and 42.

Audit Committee

The Audit Committee comprises all the Directors under the Chairmanship of Bryan Lenygon. 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 which ensure best practice and compliance with the AIC Code. The terms of reference, which set out the Audit Committee's role and authority, will be available for inspection at the AGM and can be inspected at the Registered Office of the Company as well as on the Company's website at www.invescoperpetual.co.uk/investmenttrusts.

The Audit Committee is responsible to the Board for reviewing each aspect of the financial reporting process, systems of internal control and the management of financial risks, the audit process, relationships with external auditors, the Company's processes for monitoring compliance with laws and regulations, its code of business conduct and for making recommendations to the Board. It is responsible for the appointment, re-appointment and removal of auditors as laid out in the terms of reference of the Audit Committee.

The Committee meets at least twice each year to review internal financial and non-financial controls, to approve the contents of the draft half-yearly and annual reports to shareholders and to review accounting policies. In addition, the Committee reviews the auditor's independence, objectivity and effectiveness, the quality of the services of the service providers to the Company and, together with the Manager, reviews the Company's compliance with financial reporting and regulatory requirements as well as risk management processes. Representatives of the Manager's Internal Audit and Compliance Department are present at each meeting of the Committee. Representatives of Grant Thornton UK LLP, the Company's auditors, attend the committee meeting at which the draft annual report and financial statements are reviewed and are given the opportunity, should they so wish, to speak to committee members without the presence of representatives of the Manager.

Internal Financial and Non-Financial Controls

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 Audit Committee has also received a satisfactory report on the Manager's internal operations from the Manager's Compliance and Internal Audit Officers. The Audit Committee is pleased to report that, as a result of this year's review, no weaknesses were found in the financial reporting process.

The Board reviews, at least annually, the effectiveness of the Company's system of internal controls, including financial, operational and compliance and risk management systems. The Company's system

CORPORATE GOVERNANCE

continued

of internal control is designed to manage rather than eliminate risk of failure to achieve business objectives. This system can therefore only provide reasonable and not absolute assurance against material misstatement or loss. The Board confirms that the necessary actions are taken to remedy any significant failings or weaknesses identified from their review. No significant failings or weaknesses have occurred throughout the year ended 30 April 2010 and up to the date of this annual financial report.

As stated above, the Board meets regularly, at least five times a year, and 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 programme of reviews is set up by the Manager and the reports are not necessarily directed to the affairs of any one client of the Manager.

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.

Internal Audit Function

As the Company employs a Manager to undertake its investment management and administration function, which are subject to the Manager's internal Compliance and Internal Audit reviews, the Audit Committee does not consider it necessary for the Company to establish its own internal audit function.

Auditor's Non-audit Services

The Company's auditor also provides taxation and other advisory services to the Company. The cost of providing these services is stated in note 4 to the financial statements. In the opinion of the Audit Committee, the auditor's role in providing taxation and other advisory services to the Company does not compromise their objectivity or independence in carrying out their audit function. The scope of non-audit services is reviewed by the Audit Committee and approved prior to the auditor's engagement.

The Management Engagement Committee

The Board is considered small for the purposes of the AIC Code and all Directors are members of the Management Engagement Committee. The Chairman of the Committee is Bryan Lenygon. 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 Company's website at www.invescoperpetual.co.uk/investmenttrusts 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 Investment Manager by the Management Engagement Committee can be found on page 28.

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 reports and accounts 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 Interim Management Statement. 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 Fund 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. General presentations to

both institutional shareholders and analysts follow the publication of the annual results. All meetings between the Fund Manager 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 twenty 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 page 15. 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: www.invesco-perpetual.co.uk/investmenttrusts 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 UK equities and the Company's share price. Finally, shareholders are able to access copies of the Schedule of Matters Reserved for the Board and the Terms of Reference of the Committees of the Board and, following any shareholders' general meetings, proxy voting results.

Institutional Voting

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 Board does not seek to intervene in daily management decisions, but aims to support high standards of governance and, where necessary, will take the initiative to ensure those standards are met. The principal means of putting shareholder responsibility into practice is through the exercise of voting rights. Your Company's voting rights are exercised on an informed and independent basis and are not simply passed back to the company concerned for discretionary voting by its chairman.

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 30 APRIL 2010

The Board presents this Remuneration Report which has been prepared under the requirements of Schedule 8 of the Large and Medium-sized Companies and Groups Regulations 2008 and in accordance with the Listing Rules of the Financial Services Authority. An Ordinary Resolution for the approval of this report will be put to shareholders at the AGM.

The Company's auditor is required to audit certain of the disclosures provided in this Report. Where disclosures have been audited, they are so indicated in this Report. The independent auditor's opinion is included in their Report on page 41.

Remuneration

The Board is considered small for the purposes of the 2008 Financial Reporting Council Combined Code (the 'Code') and all Directors are members of the Remuneration Committee. During the year under review, the following Directors served on the Remuneration Committee: David Hinde, Bryan Lenygon, Robin Baillie, James Robinson, Carol Ferguson and Tom Maier.

The Remuneration Committee is responsible, under the Chairmanship of David Hinde, for reviewing the remuneration of the Company's non-executive Directors on a regular basis in a fair and thorough manner. The Directors seek advice from, *inter alia*, the Company Secretary, Invesco Asset Management Limited, when considering the level of Directors' fees. The Remuneration 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 at the Registered Office of the Company.

Directors' fees are currently as follows and have been the same throughout the year under review:

Chairman	£22,000 pa;
Chairman of the Audit Committee	£19,000 pa; and
Directors	£17,000 pa.

Policy on Directors' Remuneration

The Board's policy is that the remuneration of non-executive Directors should be fair and reasonable in relation to the duties and responsibilities involved and to that of other comparable investment trusts.

Furthermore, Directors are rewarded for their individual contributions to the success of the Company, also taking into consideration any committee memberships.

It is intended that this policy will continue for the year ending 30 April 2011 and subsequent years.

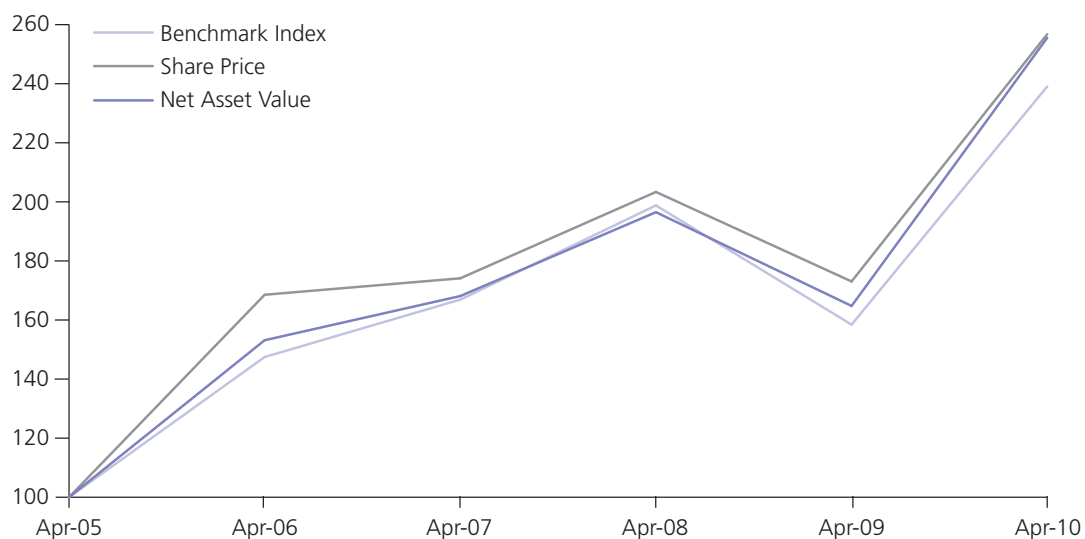
Fees for the Directors are determined by the Board within the limits stated in the Company's Articles of Association. The maximum aggregate Directors' emoluments authorised by the Company's Articles of Association is currently £150,000 per annum. The Directors are not eligible for bonuses, pension benefits, share options or other incentives or benefits.

Directors' Service Contracts

All Directors have letters of appointment which are available for inspection at the Registered Office of the Company and on the Company's website. Under the Articles of Association of the Company, the terms of the Directors' appointments provide that a Director shall retire and be subject to re-election at the first annual general meeting after appointment and at least every three years thereafter. The terms also provide that a Director may be removed from office without notice and that no compensation will be due on leaving office.

The Company's Performance

The graph which follows plots the NAV and share price total return compared to the total return of the MSCI All Countries Asia Pacific ex Japan Index (adjusted for sterling) over the five years to 30 April 2010. This benchmark index is adopted by the Company for performance measurement purposes, as it is considered by the Board to be the most appropriate index. Figures have been rebased to 100 at 30 April 2005.



Directors' Emoluments for the Year (Audited)

The Directors who served during the year received the following emoluments in the form of fees:

	2010 £	2009 £
David Hinde (Chairman of the Board)	22,000	22,000
Bryan Lenygon (Chairman of the Audit Committee)	19,000	19,000
Robin Baillie	17,000	17,000
Carol Ferguson (appointed on 10 March 2009)	17,000	2,441
Tom Maier (appointed on 10 March 2009)	17,000	2,441
Sir Robin McLaren (retired on 30 April 2009)	–	17,000
James Robinson	17,000	17,000
Total	109,000	96,882

Approval

The Directors' Remuneration Report was approved by the Board of Directors on 6 July 2010.

David Hinde

Chairman

Signed on behalf of the Board of Directors

DIRECTORS' RESPONSIBILITY STATEMENT

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, subject to any material departures disclosed and explained in the financial statements; 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. 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 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 Auditors are 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 Auditors are aware of that information.

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

- the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- 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.

David Hinde

Chairman

Signed on behalf of the Board of Directors

6 July 2010

Electronic Publication

The annual financial report is published on www.invescoperpetual.co.uk/investmenttrusts which is a website maintained by the Company's Manager. The work carried out by the Auditors does not involve consideration of the maintenance and integrity of this website and, accordingly, the Auditors accept 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.

REPORT OF THE INDEPENDENT AUDITOR

to the members of Invesco Asia Trust plc

We have audited the financial statements of Invesco Asia Trust plc for the year ended 30 April 2010 which comprise the income statement, the reconciliation of movements in shareholders' funds, the balance sheet, the cash flow statement, 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 Auditors

As explained more fully in the Directors' Responsibility Statement set out on page 40, 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 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 (APB'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 APB's website at www.frc.org.uk/apb/scope/UKP

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 2010 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are Required to Report by Exception

We have nothing to report in respect of the following.

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 31, in relation to going concern; and
- the parts of the Corporate Governance Statement relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Julian Bartlett (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants,
London

6 July 2010

INCOME STATEMENT

FOR THE YEAR ENDED 30 APRIL

	NOTES	2010			2009		
		REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL RETURN £'000	REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL RETURN £'000
Gains/(losses) on investments	9	–	52,680	52,680	–	(19,748)	(19,748)
Losses on foreign currency revaluation		–	(195)	(195)	–	(98)	(98)
Income	2	3,066	–	3,066	2,711	–	2,711
Investment management fee	3	(251)	(754)	(1,005)	(165)	(496)	(661)
Other expenses	4	(466)	(12)	(478)	(437)	(23)	(460)
Return before finance costs and taxation		2,349	51,719	54,068	2,109	(20,365)	(18,256)
Finance costs	5	(17)	(51)	(68)	(11)	(34)	(45)
Return on ordinary activities before tax		2,332	51,668	54,000	2,098	(20,399)	(18,301)
Tax on ordinary activities	6	(148)	64	(84)	(635)	149	(486)
Net return on ordinary activities after tax for the financial year		2,184	51,732	53,916	1,463	(20,250)	(18,787)
Return per ordinary share:							
Basic	7	2.4p	55.1p	57.5p	1.6p	(21.6)p	(20.0)p
Diluted	7	2.3p	54.9p	57.2p	1.6p	(21.6)p	(20.0)p

The total return column of this statement represents the Company's profit and loss account prepared in accordance with the accounting policies detailed in note 1 to the financial statements. 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.

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 2008	9,383	74,588	1,863	11,798	18,475	2,755	118,862
Net return for the year	–	–	–	–	(20,250)	1,463	(18,787)
Final dividend – note 8	–	–	–	–	–	(1,408)	(1,408)
At 30 April 2009	9,383	74,588	1,863	11,798	(1,775)	2,810	98,667
Net return for the year	–	–	–	–	51,732	2,184	53,916
Capitalise share premium for payment in full of subscription shares	188	(188)	–	–	–	–	–
Cost of subscription share issue	–	(241)	–	–	–	–	(241)
Final dividend – note 8	–	–	–	–	–	(1,408)	(1,408)
At 30 April 2010	9,571	74,159	1,863	11,798	49,957	3,586	150,934

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

BALANCE SHEET

AT 30 APRIL

	NOTES	2010 £'000	2009 £'000
Fixed assets			
Investments designated at fair value	9	154,345	98,316
Current assets			
Debtors	10	752	651
Cash at bank		1,246	568
		1,998	1,219
Creditors: amounts falling due within one year	11	(5,409)	(795)
Net current (liabilities)/assets		(3,411)	424
Total assets less current liabilities		150,934	98,740
Provisions	12	–	(73)
Total net assets		150,934	98,667
Capital and reserves			
Share capital	13	9,571	9,383
Share premium	14	74,159	74,588
Other reserves:			
Capital redemption reserve	14	1,863	1,863
Special reserve	14	11,798	11,798
Capital reserve	14	49,957	(1,775)
Revenue reserve	14	3,586	2,810
Total Shareholders' funds		150,934	98,667
Net asset value per ordinary share			
Basic	15	160.8p	105.1p
Diluted	15	154.9p	105.1p

These financial statements were approved and authorised for issue by the Board of Directors on 6 July 2010.

David Hinde

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	2010 £'000	2009 £'000
Cash inflow from operating activities	16(a)	1,203	1,405
Servicing of finance	16(b)	(70)	(41)
Taxation		(336)	(112)
Capital expenditure and financial investment	16(b)	(3,275)	2,199
Dividends paid	8	(1,408)	(1,408)
<hr/>			
Net cash (outflow)/inflow before management of liquid resources and financing		(3,886)	2,043
Management of liquid resources	16(b)	–	56
Financing	16(b)	4,759	(2,500)
<hr/>			
Increase/(decrease) in cash in the year		873	(401)

RECONCILIATION OF CASH FLOW TO MOVEMENT IN NET (DEBT)/FUNDS

	NOTES	2010 £'000	2009 £'000
Increase/(decrease) in cash in the year		873	(401)
Cash (inflow)/outflow from movement in debt		(5,000)	2,500
Cash inflow from decrease in liquid resources		–	(56)
<hr/>			
Change in net (debt)/funds resulting from cash flows		(4,127)	2,043
Translation differences		(195)	(98)
<hr/>			
Movement in net (debt)/funds in the year		(4,322)	1,945
Net funds/(debt) at beginning of year		568	(1,377)
<hr/>			
Net (debt)/funds at end of year	16(c)	(3,754)	568

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2010

1. Accounting Policies

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

(i) *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.

(ii) *Going Concern*

The Company's Articles of Association require that, unless the AGM of the Company to be held in 2010 approves an ordinary resolution releasing the Directors from the obligation, the Directors shall convene an Extraordinary General Meeting in 2011 at which a special resolution will be proposed to wind up the Company. The Board intends to propose the necessary resolution at the AGM in 2010 to seek release from the obligation to wind up the Company and the financial statements have therefore been drawn up on the going concern basis.

(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 will offset financial assets and financial liabilities 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. 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 on an accruals basis. Deposit interest and underwriting commissions receivable are 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 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 excluding UK dividends. 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

	2010	2009
	£'000	£'000
Income from investments		
Overseas dividends	2,839	2,599
Scrip dividends	207	58
UK dividends	19	19
Total dividend income	3,065	2,676
Other income		
Interest	1	35
Total income	3,066	2,711

3. Investment management fee

	2010			2009		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Investment management fee	251	754	1,005	167	503	670
VAT recovered on management fees	–	–	–	(2)	(7)	(9)
	251	754	1,005	165	496	661

Details of the investment management and secretarial agreement are given on page 27 in the Report of the Directors. At 30 April 2010, £295,000 was due for payment in respect of the management fee (2009: £181,000).

4. Other expenses

	2010			2009		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Directors' fees (i)	109	–	109	97	–	97
Auditor's remuneration (ii):						
– for audit of the financial statements	21	–	21	20	–	20
– for other services relating to taxation	15	–	15	7	–	7
Other expenses (iii)	321	12	333	313	23	336
	466	12	478	437	23	460

- (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.
- (ii) Auditor's remuneration is shown net of VAT. An additional amount of £10,000 not shown above but charged direct to share premium, was payable to the auditors in relation to the issue of subscription shares.
- (iii) 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 £71,000 (2009: £72,000) for these services. Custodian transaction charges of £12,000 (2009: £23,000) have been charged to capital.

NOTES TO THE FINANCIAL STATEMENTS

continued

5. Finance costs

	2010			2009		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Overdraft interest	2	7	9	–	–	–
Interest on term loan repayable within 1 year, not by instalment	15	44	59	11	34	45
	17	51	68	11	34	45

6. Tax on ordinary activities

(a) Analysis of charge for the year

	2010			2009		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
United Kingdom tax:						
Corporation tax at 28% (2009: 28%)	–	–	–	441	–	441
Tax relief attributable to management fee and interest, allocated to capital	64	(64)	–	149	(149)	–
Overseas tax	157	–	157	140	–	140
Relief for overseas tax	–	–	–	(123)	–	(123)
Prior year tax adjustment	–	–	–	68	–	68
Current tax charge for the year – note 6(b)	221	(64)	157	675	(149)	526
Deferred tax – note 6(c)	(73)	–	(73)	(40)	–	(40)
Tax on ordinary activities	148	(64)	84	635	(149)	486

The overseas tax charge consists of irrecoverable withholding tax.

(b) Reconciliation of the tax charge for the year

	2010 £'000	2009 £'000
Total return on ordinary activities before taxation	54,000	(18,301)
Theoretical tax at UK Corporation tax rate of 28% (2009: 28%)	15,120	(5,124)
Effects of:		
Non-taxable (gains)/losses on investments	(14,750)	5,529
Non-taxable losses on foreign currency revaluation	55	27
Non-taxable overseas dividends	(678)	–
Non-taxable UK dividends	(6)	(5)
Tax relief charge to capital	64	149
Effect of overseas tax	157	17
Income not assessable	87	8
Expenses not allowed	3	6
Expenses in excess of taxable income	169	–
Prior year tax adjustment	–	68
Revenue current tax charge for the year	221	675
Tax relief charge to capital	(64)	(149)
Total current tax charge for the year	157	526
Deferred tax credit	(73)	(40)
Total tax charge for the year	84	486

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 changes

The Company has excess management expenses and loan relationship deficits of £604,000 (2009: none) that are available to offset future taxable revenue. A deferred tax asset of £169,000 (2009: none) 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 to which they may be set against.

(d) Deferred tax

	2010 £'000	2009 £'000
Analysis of the charge for the year:		
Balance brought forward	73	113
(Credit)/charge for the year	(73)	(40)
Balance carried forward – note 12	–	73

NOTES TO THE FINANCIAL STATEMENTS

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7. Return per ordinary share

	2010	2009
	£'000	£'000
Return per ordinary share is based on the following:		
Revenue return	2,184	1,463
Capital return	51,732	(20,250)
Total return	53,916	(18,787)

	2010	2009
Weighted number of ordinary shares in issue during the year used for the purpose of the basic calculation	93,837,425	93,837,425
Weighted number of ordinary shares in issue during the year used for the purpose of the diluted calculation	94,261,260	93,837,425
Basic		
Revenue return per share	2.4p	1.6p
Capital return per share	55.1p	(21.6)p
Total return per share	57.5p	(20.0)p
Diluted		
Revenue return per share	2.3p	1.6p
Capital return per share	54.9p	(21.6)p
Total return per share	57.2p	(20.0)p

The diluted return per ordinary share represents the return on ordinary activities after taxation divided by the weighted average number of ordinary share in issue during the year as adjusted for the conversion of all outstanding subscription shares into ordinary shares at the year end. For this purpose, the 125p proceeds from the conversion are regarded as having been received from the issue of ordinary shares at the average market price of ordinary shares during the year. The difference between the number of ordinary shares issued and the number of ordinary shares that would have been issued at the average market price of ordinary shares during the year is treated as an issue of ordinary shares for no consideration.

There was no dilution to the returns for the year ended 30 April 2009 as there were no dilutive potential ordinary shares in issue at that date.

8. Dividends

Dividends on shares paid in the year:

	2010		2009	
	PENCE	£'000	PENCE	£'000
Final dividend in respect of previous year	1.5	1,408	1.5	1,408

Dividend on shares payable in respect of the current year:

	2010		2009	
	PENCE	£'000	PENCE	£'000
Final dividend proposed	2.25	2,111	1.5	1,408

9. Investments designated at fair value through profit or loss

All investments are listed.

(a) Analysis of investments gains

	2010 £'000	2009 £'000
Opening book cost	90,761	102,387
Opening investment holding gains	7,555	17,768
Opening valuation	98,316	120,155
Movements in the year:		
Purchases at cost	54,897	46,985
Sales – proceeds	(51,610)	(49,076)
– gains/(losses) on sales	9,862	(9,535)
Movement in investment holding gains during the year	42,880	(10,213)
Closing valuation	154,345	98,316
Closing book cost	103,910	90,761
Closing investment holding gains	50,435	7,555
Closing valuation	154,345	98,316

(b) Gains/(losses) on investments

	2010 £'000	2009 £'000
Gains/(losses) on sales	9,862	(9,535)
Capital gains tax on Indian stocks	(62)	–
Movement in investment holding gains in the year	42,880	(10,213)
Gains/(losses) on investments	52,680	(19,748)

(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.

(d) Transaction costs

The total transaction costs of £376,000 (2009: £322,000) included in gains and losses on investments relate to £174,000 (2009: £145,000) on purchases and £202,000 (2009: £177,000) on sales.

10. Debtors

	2010 £'000	2009 £'000
Amounts due from brokers	128	147
Taxation	255	186
VAT recoverable	14	6
Prepayments and accrued income	355	312
	752	651

NOTES TO THE FINANCIAL STATEMENTS

continued

11. Creditors: amounts falling due within one year

	2010	2009
	£'000	£'000
Bank loan	5,000	–
Amounts due to brokers	16	169
Accruals	393	308
Taxation	–	318
	5,409	795

The Company has an unsecured revolving credit facility of £15 million agreed on 20 August 2009. £5,000,000 was drawn down at 1.54% pa at the year-end.

12. Provisions

	2010	2009
	£'000	£'000
Deferred tax in respect of timing differences on accrued income	–	73

13. Share capital

	2010	2009
	£'000	£'000
Authorised:		
150,000,000 (2009: 150,000,000) ordinary shares of 10p each	15,000	15,000
20,000,000 (2009: none) subscription shares of 1p each	200	–
	15,200	15,000
Allotted, called-up and fully paid:		
93,837,425 (2009: 93,837,425) ordinary shares of 10p each	9,383	9,383
18,767,485 (2009: none) subscription shares of 1p each	188	–
	9,571	9,383

Subscription shares

During the year, the Company increased the issued share capital by the addition of 20 million subscription shares of 1p each. On 12 August 2009 a total of 18,767,485 subscription shares were allotted to Shareholders on the register on 11 August 2009, on the basis of one subscription share for every five ordinary shares held as at that date. Each subscription share confers the right to subscribe for one ordinary share on or around 31 August for each of the years 2010 to 2012 at an exercise price of 125p per share.

Winding-up provisions

The Articles of Association provide that, unless the AGM of the Company to be held in 2010 approves an ordinary resolution releasing the Directors from the obligation, the Directors shall convene an Extraordinary General Meeting ('EGM') in 2011 at which a special resolution will be proposed to wind up the Company.

If the Company continues in existence after 2011, the Directors shall be obliged to convene an EGM to consider a special resolution to wind up the Company every third year thereafter, unless the Directors are released from their obligation by ordinary resolution passed at the AGM of the preceding year.

14. Reserves

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 special reserve was set up for the possible purchase by the Company of its own shares with the approval of the High Court.

The capital reserve includes investment holding gains/(losses), being the difference between cost and market value. At the year-end this was a gain of £50,435,000 (2009: £7,555,000). The capital reserve is non-distributable; however, it can be used to fund share buy-backs.

The revenue reserve is the only reserve that is distributable by way of dividend.

15. Net asset value

	2010	2009
Basic:		
Ordinary shareholders' funds	£150,934,000	£98,667,000
Number of ordinary shares in issue	93,837,425	93,837,425
Net asset value per ordinary share	160.8p	105.1p
Diluted:		
Ordinary shareholders' funds	£174,394,000	£98,667,000
Number of ordinary shares in issue	112,604,910	93,837,425
Net asset value per ordinary share	154.9p	105.1p

The diluted net asset value per ordinary share assumes that all outstanding subscription shares were converted into ordinary shares at the year end based on an exercise price for the subscription shares of 125p per share. There was no dilution to the net asset value at 30 April 2009 as there were no dilutive potential ordinary shares in issue at that date.

16. Notes to the cash flow statement

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

	2010	2009
	£'000	£'000
Total return before finance costs and taxation	54,068	(18,256)
Adjustment for (gains)/losses on investments	(52,680)	19,748
Adjustment for losses on currency revaluation	195	98
Scrip dividends received as income	(207)	(58)
(Increase)/decrease in debtors	(51)	76
Increase/(decrease) in creditors	87	(37)
Overseas tax deducted from overseas dividends	(209)	(166)
Net cash inflow from operating activities	1,203	1,405

NOTES TO THE FINANCIAL STATEMENTS

continued

16. Notes to the cash flow statement (continued)

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

	2010 £'000	2009 £'000
Servicing of finance		
Interest paid on bank loans and overdrafts	(70)	(41)
Net cash outflow from servicing of finance	(70)	(41)

	2010 £'000	2009 £'000
Capital expenditure and financial investment		
Purchase of investments (adjusted for scrip dividends received as income and capital gains tax on Indian stocks)	(54,904)	(46,758)
Sale of investments	51,629	48,957
Net cash inflow from capital expenditure and financial investment	(3,275)	2,199

	2010 £'000	2009 £'000
Management of liquid resources		
Cash recalled from short-term deposit	–	56
Net cash inflow from management of liquid resources	–	56

The Company treats term deposits as liquid resources.

	2010 £'000	2009 £'000
Financing		
Increase/(decrease) in bank debt	5,000	(2,500)
Cost of subscription share issue	(241)	–
Net cash inflow/(outflow) from financing	4,759	(2,500)

(c) Analysis of net funds/(debt)

	30 APRIL 2009 £'000	CASH FLOW £'000	EXCHANGE MOVEMENT £'000	30 APRIL 2010 £'000
Net cash:				
Cash at bank	568	873	(195)	1,246
Debt due within one year	–	(5,000)	–	(5,000)
Net funds/(debt)	568	(4,127)	(195)	(3,754)

17. Contingencies, guarantees and financial commitments

There were no contingencies, guarantees or financial commitments of the Company at the year end (2009: £nil).

18. Related party transactions

Invesco Asset Management Limited, a wholly owned subsidiary of Invesco Limited, acts as Manager and Secretary to the Company. Details of IAML's services and fees are given in note 3. Full details of Directors' interests are set out on page 29 in the Report of the Directors.

19. Risk management, financial assets and liabilities

The Company's financial instruments comprise its investment portfolio (as shown on pages 10 and 11), cash, loan, debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. 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 Report of the Directors.

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 33. Gearing 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.

Forward currency contracts can be used to limit the Company's exposure to anticipated future changes in exchange rates and can be used also to achieve the portfolio characteristics that assist the Company in meeting its investment objective and policies. All contracts are limited to currencies and amounts commensurate with the asset exposure to those currencies. At the year-end there was no foreign exchange contract outstanding (2009: none).

NOTES TO THE FINANCIAL STATEMENTS

continued

19. Risk management, financial assets and liabilities (continued)

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.

COUNTRY	YEAR ENDED 30 APRIL 2010			INVESTMENTS		TOTAL NET FOREIGN CURRENCY £'000
	DEBTORS (DUE FROM BROKERS AND DIVIDENDS) £'000	CASH AT BANK AND LOAN £'000	CREDITORS (DUE TO BROKERS AND ACCRUALS) £'000	FOREIGN CURRENCY EXPOSURE ON NET MONETARY ITEMS £'000	AT FAIR VALUE THROUGH PROFIT OR LOSS THAT ARE EQUITIES £'000	
Australia	25	–	–	25	14,758	14,783
China	121	–	–	121	23,291	23,412
Hong Kong	156	–	–	156	40,846	41,002
India	–	16	(16)	–	12,091	12,091
Indonesia	–	–	–	–	4,589	4,589
Malaysia	–	–	–	–	2,776	2,776
Philippines	–	–	–	–	4,572	4,572
Singapore	–	–	–	–	4,106	4,106
South Korea	41	–	–	41	26,400	26,441
Taiwan	128	6	–	134	18,175	18,309
Thailand	–	–	–	–	995	995
UK	12	(3,776)	(393)	(4,157)	1,746	(2,411)
USA	–	–	–	–	–	–
	483	(3,754)	(409)	(3,680)	154,345	150,665

COUNTRY	YEAR ENDED 30 APRIL 2009				INVESTMENTS		TOTAL NET FOREIGN CURRENCY £'000
	DEBTORS (DUE FROM BROKERS AND DIVIDENDS) £'000	CASH AT BANK £'000	FORWARD CONTRACT £'000	CREDITORS (DUE TO BROKERS AND ACCRUALS AND LOAN) £'000	FOREIGN CURRENCY EXPOSURE ON NET MONETARY ITEMS £'000	AT FAIR VALUE THROUGH PROFIT OR LOSS THAT ARE EQUITIES £'000	
Australia	–	–	–	–	–	10,246	10,246
China	22	–	–	–	22	11,124	11,146
Hong Kong	100	–	–	–	100	25,000	25,100
India	–	211	(211)	–	–	9,063	9,063
Indonesia	–	–	–	–	–	1,284	1,284
Malaysia	–	–	–	–	–	608	608
Philippines	–	–	–	–	–	1,302	1,302
Singapore	151	–	–	–	151	3,836	3,987
South Korea	13	–	–	–	13	16,183	16,196
Taiwan	–	257	–	(169)	88	15,113	15,201
Thailand	9	–	–	–	9	1,624	1,633
UK	17	100	211	(308)	20	2,933	2,953
USA	147	–	–	–	147	–	147
	459	568	–	(477)	550	98,316	98,866

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.

Currency Sensitivity

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

It assumes the following changes in exchange rates:

	2010 %	2009 %
£/Australian \$	+/- 7.5	+/- 5.9
£/Chinese Reminbi	+/- 3.4	+/- 13.8
£/Hong Kong \$	+/- 3.3	+/- 13.8
£/Indian Rupee	+/- 5.1	+/- 7.2
£/Indonesian Rupiah	+/- 6.4	+/- 4.8
£/Malaysian Ringgit	+/- 5.3	+/- 9.1
£/Philippines Peso	+/- 5.1	+/- 10.1
£/Singapore \$	+/- 4.1	+/- 9.4
£/South Korea Won	+/- 6.5	+/- 5.0
£/Taiwan \$	+/- 4.2	+/- 9.2
£/Thailand Baht	+/- 4.5	+/- 10.8
£/US\$	+/- 3.3	+/- 13.5

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 monetary 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 against the currencies shown, this would have had the following effect:

	2010			2009		
	REVENUE RETURN	CAPITAL RETURN	TOTAL LOSS AFTER TAX	REVENUE RETURN	CAPITAL RETURN	TOTAL LOSS AFTER TAX
Australia	(30)	(1,103)	(1,133)	(19)	(607)	(626)
China	(14)	(784)	(798)	(10)	(1,540)	(1,550)
Hong Kong	(21)	(1,346)	(1,367)	(91)	(3,450)	(3,541)
India	(5)	(622)	(627)	(7)	(649)	(656)
Indonesia	(3)	(292)	(295)	(2)	(62)	(64)
Malaysia	(2)	(147)	(149)	(3)	(55)	(58)
Philippines	(4)	(234)	(238)	(3)	(132)	(135)
Singapore	(4)	(168)	(172)	(40)	(360)	(400)
South Korea	(26)	(1,712)	(1,738)	(12)	(802)	(814)
Taiwan	(22)	(765)	(787)	(39)	(1,393)	(1,432)
Thailand	(4)	(45)	(49)	(9)	(175)	(184)
USA	—	—	—	—	—	—
	(135)	(7,218)	(7,353)	(235)	(9,225)	(9,460)

NOTES TO THE FINANCIAL STATEMENTS

continued

19. Risk management, financial assets and liabilities (continued)

If sterling had weakened against the currencies shown, this would have had the following effect:

	2010			2009		
	REVENUE RETURN	CAPITAL RETURN	TOTAL PROFIT AFTER TAX	REVENUE RETURN	CAPITAL RETURN	TOTAL PROFIT AFTER TAX
Australia	30	1,103	1,133	19	607	626
China	14	784	798	10	1,540	1,550
Hong Kong	21	1,346	1,367	91	3,450	3,541
India	5	622	627	7	649	656
Indonesia	3	292	295	2	62	64
Malaysia	2	147	149	3	55	58
Philippines	4	234	238	3	132	135
Singapore	4	168	172	40	360	400
South Korea	26	1,712	1,738	12	802	814
Taiwan	22	765	787	39	1,393	1,432
Thailand	4	45	49	9	175	184
USA	–	–	–	–	–	–
	135	7,218	7,353	235	9,225	9,460

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 on variable rate bank accounts yielding rates of interest dependent on the base rate of the custodian, Bank of New York Mellon.

On 20 August 2009, the Company put in place a sterling revolving credit facility ('loan') of £15 million renewable annually from the custodian (previously £15 million with JPMorgan Chase). Interest is payable at a fixed amount over LIBOR and a commitment fee for undrawn amounts. Under the loan covenants, the Company's total indebtedness must not exceed 25% of net assets and total assets must not be less than £60 million. The Company uses the loan when required at levels approved and monitored by the Board.

At the year-end drawings on the loan were £5 million (2009: none drawn down). At the maximum possible gearing of £15 million, the effect of a 1% increase or decrease in the interest rate would result in a decrease or increase to the Company's income statement of £150,000.

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 return that he can.

Management of Other Price Risk

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 fell by 10% at the balance sheet date, the profit after tax for the year would decrease by £15.4 million (2009: £9.8 million). If the value of the portfolio rose by 10%, the profit after tax would increase by £15.4 million (2009: £9.8 million).

Liquidity Risk

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. In addition, the loan provides for additional funding flexibility.

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 Valued 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 (due from brokers, dividends receivable, accrued income, due to brokers, accruals, cash at bank and overdraft).

Fair Value of Hierarchy Disclosures

All of the Company's portfolio of investments are in the Level 1 category as defined in FRS 29 "Financial Instruments: Disclosures" which is applicable for reporting periods beginning on or after 1 January 2009. The three levels set out in FRS 29 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. The investments are all deemed to be Level 1 and no investments in Levels 2 or 3 were held during the year.

Maturity Analysis of Contractual Liability Cash Flows

The financial liabilities of the Company are shown in note 11. The main liability is the bank loan which at the balance sheet date stood at £5 million. Other liabilities comprise amounts due to brokers and accruals; all are paid under contractual terms. For amounts due to brokers, this is usually the purchase date of the investment plus three business days. For accruals, this is normally within 30 business days of invoice or, in the case of management fees, in accordance with the management agreement.

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 (due from brokers, dividends receivable, accrued income, due to brokers, accruals, cash at bank and loan).

Capital Management

The Company does not have any externally-imposed capital requirements.

The Company's capital is as disclosed in the balance sheet and is managed on a basis consistent with its investment objective and policy, as disclosed in the Report of the Directors' on page 18. The principal risks and their management are disclosed above.

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 30 Finsbury Square, London EC2A 1AG, on 5 August 2010 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 2010.
2. To declare a final dividend as recommended.
3. To approve the Directors' Remuneration Report.
4. To re-appoint the Auditor and authorise the Directors to determine their remuneration.
5. To re-elect Mr Bryan Lenygon a Director of the Company.
6. To re-elect Mr James Robinson a Director of the Company.

Special Business

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

7. THAT:

In accordance with Article 152 of the Articles of Association of the Company, the Directors of the Company be and they are hereby released from their obligation pursuant to such Articles to convene a General Meeting of the Company to be held on the business day falling on or within 7 days prior to the accounting reference date of the Company falling in 2011 at which a Special Resolution will be proposed providing for the Company to be wound up on a voluntary basis.

8. THAT:

The Directors be generally and unconditionally authorised in accordance with Section 551 of the Companies Act 2006 as amended from time to time prior to the date of the passing of this Resolution (the 'Act') to exercise all powers of the Company to allot relevant securities (as defined in that Section) up to an aggregate nominal amount (within the meaning of Sections 551(3) and (6) of the Act) of £938,374, this being 10% of the Company's issued ordinary share capital, such authority to expire at the conclusion of the next AGM of the Company or the date 15 months after the passing of this Resolution, whichever is the earlier, 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 relevant securities to be allotted 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:

9. THAT:

The Directors be and they are hereby empowered, in accordance with Section 570 and 573 of the Companies Act 2006 as amended from time to time prior to the date of the passing of this Resolution (the 'Act') to allot equity securities for cash, either pursuant to the authority given by Resolution 8 set out above, 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 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 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 £469,187, this being 5% of the Company's issued share capital

and this power shall expire at the conclusion of the next AGM of the Company or the date 15 months after the passing of this Resolution, whichever is the earlier, 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.

10. 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 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 14,066,230 or 14.99% of shares in issue;
- (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 Annual General Meeting of the Company in 2011 unless the authority is renewed 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.

11. THAT, the Company be generally and is hereby authorised, in addition to any other authority granted, 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 Subscription Shares, provided that:

- (i) the maximum number of shares hereby authorised to be purchased shall be 2,813,246 or 14.99% of the Subscription Shares in issue.
- (ii) the maximum number of Subscription Shares hereby authorised to be purchased shall be equal to 14.99% of the Subscription Shares in issue;
- (iii) the maximum price which may be paid for any Subscription Share shall be an amount equal to 105% of the average of the middle market quotations for a Subscription Share taken from and calculated by reference to the London Stock Exchange Official List for the

NOTICE OF ANNUAL GENERAL MEETING

continued

- five business days immediately preceding the day on which the Subscription Share is purchased;
- (iv) the minimum price which may be paid for any Subscription Share is one penny; and
- (v) this authority shall expire at the close of business at the annual general meeting of the Company held in 2011, save that the Company may, prior to such expiry, enter into a contract to purchase Subscription Shares which will or may be completed or executed wholly or partly after such expiry.

12. THAT:

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

Explanatory Note to Resolution 12

Notice of period for general meetings

This resolution is required as the implementation of the EU Shareholder Rights Directive has increased the notice period for general meetings of companies to 21 days unless certain conditions are met in which case it may be 14 days' notice. A shareholder resolution reducing the period of notice to not less than 14 days must have been passed at the immediately preceding AGM. It is intended that this flexibility will be used only for non-routine business and where it is in the interests of shareholders as a whole.

All Resolutions proposed under Special Business are explained further in the Chairman's Statement on pages 4 and 5 and in the Report of the Directors on pages 26 and 27.

Dated this 6 July 2010

By order of the Board

Invesco Asset Management Limited

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 Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU; 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 Registrars, PXS, 34 Beckenham Road, Beckenham, Kent BR3 4TU, by not later than 12 noon on 3 August 2010.
4. A person entered on the Register of Members on 3 August 2010 ('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.
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. 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 6 July 2010 (being the last practicable day prior to the publication of this Notice) the Company's issued share capital consisted of 93,837,425 ordinary shares of 10p each carrying one vote each and 18,767,485 subscription shares.
12. A copy of this notice, and other information required by section 311A of the Companies Act 2006, can be found at www.invescooperpetual.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 '2006 Act'), 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 auditors' report and the conduct of the audit) that are to be laid before the Annual General Meeting for the financial year beginning on 1 May 2009; or (ii) any circumstance connected with an auditor of the Company appointed for the financial year beginning on 1 May 2009 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 Annual General Meeting. 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 2006 Act. Where the Company is required to place a statement on a website under section 527 of the 2006 Act, 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 Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

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 (adjusted for 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 term applied to the effect of borrowings and prior charge share capital on assets that will increase the return on investment when the value of the Company's investments is rising but reduce the return when values are declining. A gearing level of 100 or 0% indicates there is no gearing.

Actual Gearing reflects the amount of loans already arranged and in use by the Company. This is the gearing figure published by the Association of Investment Companies. It is calculated by dividing the aggregate of shareholders' funds and all drawdown loans by shareholders' funds.

Asset Gearing reflects the amount of loans actively invested in assets and not held in cash. It is calculated by dividing fixed asset investments by 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

Also described as Shareholders' funds, the net asset value is the value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value per share is calculated by dividing the 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 per ordinary share, there is no dilutive effect.

Shareholders' Funds

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

Total Expense Ratio

Total expenses (excluding interest) incurred, including those charged to capital, divided by average shareholders' funds.



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 Services 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 \$430.0 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 2010.

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 plc

Aims to generate a high level of income from a variety of fixed income instruments combined with a degree of security. The Company is geared by bank debt.

Invesco Income Growth Trust plc

Aims to provide shareholders with a long-term growth in capital and real, long-term growth in dividends from an above-average yielding portfolio comprising mainly UK equities and equity-related securities. Seeks to achieve a total return in excess of the FTSE All-Share Index. The Company is geared by bank debt.

Invesco Leveraged High Yield Fund 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 is highly geared.

Invesco Perpetual Recovery Trust 2011 plc

A split-capital investment trust with ordinary income shares, zero dividend preference shares and units (a combination of the two). Aims to meet the capital entitlements of the zero dividend preference shares and to maximise the capital and income returns of the ordinary income shares by investing primarily in equities but also debt securities which are considered to offer recovery prospects. Returns to ordinary income shareholders are geared by the prior charge of the zero shares. The Company has an initial life projected to end in 2011.

Invesco Perpetual Select Trust plc – Managed Liquidity Share Portfolio

Aims to generate a high level of income from a variety of fixed income instruments combined with a high degree of security.

Invesco Perpetual Select Trust plc – UK Equity Share 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 is geared by bank debt.

Invesco Property Income Trust Limited

The Company is a closed-ended investment company with limited liability incorporated in Jersey. The objective is to provide ordinary shareholders with an attractive level of income together with the prospect of income and capital growth from investing in commercial properties in the UK and Continental Europe. The Company 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 is geared by way of debenture stocks.

Perpetual Income and Growth Investment Trust plc

Aims to generate capital growth with a higher than average income from investment, primarily, in the UK equity market. It is intended that the Company will provide shareholders with real dividend growth over the medium-term by investing mainly in above-average yield equities. However, investments are also made in companies with lower initial yields which are considered to have good potential for income growth. The Company is geared by a debenture stock and bank debt.

The Edinburgh Investment Trust plc

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

1. an increase in 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 portfolio is geared by way of two debenture stocks.

Investing in Smaller Companies

Invesco English and International Trust plc

Invests mainly in UK-quoted and unquoted smaller companies, AIM stocks and in US smaller companies. It pursues a relatively risk-averse stock selection strategy holding a well-diversified portfolio and seeks to invest in companies offering particular value. The Company has adopted a flexible gearing policy and a quarterly redemption/creation mechanism.

Invesco Perpetual UK Smaller Companies Investment Trust plc

Aims to achieve long-term total returns for the Company's shareholders from investment in a broad cross-section of small to medium size UK-quoted companies. The Company may gear by bank debt.

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 Morgan Stanley Capital International All Country Asia Pacific ex Japan Index, measured in sterling. The Company is geared by bank debt.

Invesco Perpetual Select Trust plc – Global Equity Share Portfolio

Aims to produce long-term capital growth from a sensibly diversified portfolio of international equities (including the UK). The portfolio comprises the "best ideas" of a number of Invesco Perpetual's investment managers. The portfolio is geared by bank debt.

Investing for Absolute Returns

Invesco Perpetual Select Trust plc – Hedge Fund Share Portfolio

Aims to achieve absolute return of 3-month sterling LIBOR plus 5% per annum over a rolling 5-year period, coupled with low volatility. Capital preservation is a priority.

Investing in Multiple Asset Classes

Invesco Perpetual Select Trust plc

- UK Equity Share Portfolio
- Global Equity Share Portfolio
- Managed Liquidity Share Portfolio
- Hedge Fund Share Portfolio

A choice of asset classes within one investment trust with the freedom to switch between them, twice a year, free from capital gains tax liability.

Other

Invesco Perpetual AiM VCT plc

The Company was launched in August 2004. Its objective is to provide a tax-free dividend return to shareholders invested at

launch primarily through the realisation of capital gains from a portfolio of investments in AiM Qualifying Companies while maintaining the capital value of shares.

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.

