Invesco Asia Trust plc

Annual Financial Report
Year Ended 30 April 2017

Investment Objective

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 Benchmark Index, the MSCI AC Asia ex Japan Index (total return, in sterling terms).

Investment Policy

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

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.

Life of the Company

In accordance with the Company's Articles of Association, the Board asks shareholders every three years to release them from the obligation to convene an Extraordinary General Meeting and to put forward proposals that the Company be wound up on a voluntary basis. The next time the Board will ask to be released from the obligation to wind up the Company will be at the Annual General Meeting in 2019.

Nature of the Company

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

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

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

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

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INFORMATION FOR SHAREHOLDERS

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

☎ 0800 085 8677

www.invescoperpetual.co.uk/investmenttrusts

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

The Company is a member of aic The Association of Investment Companies

FINANCIAL INFORMATION AND PERFORMANCE STATISTICS

The benchmark index of the Company is the MSCI AC Asia ex Japan Index

Total Return Statistics **Change for the year**	2017	2016
Net asset value[(1)(2)] (NAV)	40.6%	–7.1%
Share price[(1)]	42.9%	–10.3%
Benchmark index[(1)(2)]	37.5%	–14.3%

Capital Statistics **At 30 April**	2017	2016	CHANGE %
Net assets (£'000)	243,025	180,108	+34.9
Gearing[(2)]:			
– gross	nil	3.1%	
– net	nil	1.7%	
– net cash	2.6%	nil	
NAV per share[(2)]	291.3p	210.7p	+38.3
Share price	257.0p	183.0p	+40.4
Benchmark index[(1)(2)]	—	—	+33.9
Discount[(2)] per ordinary share:			
– cum income	11.8%	13.1%	
– ex income	10.3%	11.7%	
Average discount over the year (ex income)	10.9%	9.7%	

Revenue Statistics **Year Ended 30 April**	2017	2016	CHANGE %
Income (£'000)	5,464	4,256	+28.4
Net revenue available for ordinary shares (£'000)	3,978	2,978	+33.6
Revenue return per ordinary share	4.74p	3.42p	+38.6
Dividend per share	4.30p	3.65p	+17.8
Ongoing charges ratio[(2)]	1.02	1.02	

(1) Source: Thomson Reuters Datastream.

(2) The term is defined in the Glossary of Terms on page 65.

Items shaded in this colour are the Company's Key Performance Indicators (which are detailed on page 7).

Ten Year Historical Record

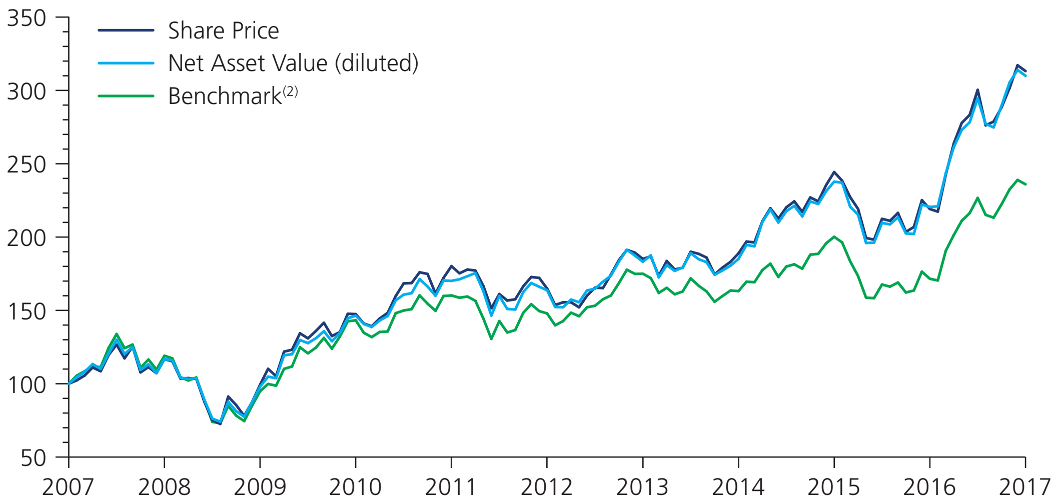
Year to 30 April	Income £'000	Net revenue available for ordinary shares £'000	Dividends on ordinary shares: Rate p	Dividends on ordinary shares: Cost £'000	Net assets £'000	Diluted net asset value per ordinary share[1] p	Share price p
2008	3,247	1,762	1.50	1,408	118,862	126.7	112.8
2009	2,711	1,463	1.50	1,408	98,667	105.1	94.5
2010	3,066	2,184	2.30	2,111	150,934	154.9	138.3
2011	4,104	2,983	2.90	2,730	176,856	177.6	166.1
2012	4,738	3,593	3.20	2,981	164,741	168.6	149.4
2013	4,557	3,328	3.20	3,389	195,528	184.6	164.0
2014	4,547[2]	3,332[2]	3.45	3,066[2]	162,969[2]	183.4	164.0
2015	4,672	3,334	3.65	3,199	202,167	230.7	208.0
2016	4,256	2,978	3.65	3,093	180,108	210.7	183.0
2017	**5,464**	**3,978**	**4.30**	**3,587**	**243,025**	**291.3**	**257.0**

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

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

Ten Year Total Return Performance[1]

Rebased to 100 at 30 April 2007



Total Return in Sterling Terms to 30 April[1][2]

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	THREE YEARS	FIVE YEARS	TEN YEARS
Net Asset Value %	16.9	–16.1	49.3	16.2	–3.8	11.9	1.0	28.4	–7.1	40.6	67.5	89.3	210.0
Share Price %	16.8	–14.9	48.4	22.2	–8.5	12.3	2.0	29.4	–10.3	42.9	65.8	90.0	213.2
Benchmark[2] %	19.1	–20.3	50.9	11.8	–7.7	18.3	–6.8	22.7	–14.3	37.5	44.6	59.5	136.0

Annualised Total Returns to 30 April 2017[1][2]

	1 YEAR	2 YEARS	3 YEARS	4 YEARS	5 YEARS	6 YEARS	7 YEARS	8 YEARS	9 YEARS	10 YEARS
Net Asset Value %	40.6	14.2	18.8	14.1	13.6	10.5	11.3	15.5	11.4	12.0
Share Price %	42.9	13.2	18.4	14.0	13.7	9.7	11.4	15.4	11.6	12.1
Benchmark[2] %	37.5	8.6	13.1	7.8	9.8	6.7	7.4	12.1	7.9	9.0

(1) Source: Thomson Reuters Datastream.

(2) The benchmark index of the Company was changed on 1 May 2015 from the MSCI All Countries Asia Pacific ex Japan Index to the MSCI AC Asia ex Japan Index (both indices total return, in sterling terms). The benchmark performance used throughout this report uses the former index for periods prior to 1 May 2015.

CHAIRMAN'S STATEMENT

Carol Ferguson

Performance

Asian equity markets have made strong gains over the last twelve months, underpinned by a cyclical upturn in corporate earnings and the robust global economic backdrop. Investment returns for UK investors have also benefited from the weakness of sterling relative to Asian currencies. The political and macroeconomic environment has at times been challenging, with events such as the UK vote to leave the EU and the election of US President Donald Trump seeing a marked increase in uncertainty. However, sentiment towards Asian equity markets has benefited from an easing of concerns over the health of China's economy and expectations that global central banks will keep interest rates at low levels for longer. Although the market has made a strong recovery, we are confident that Asia will continue to be an attractive place to invest given our portfolio manager's long-term perspective and focus on valuations.

I am pleased to report that the Company's strategy has again delivered excellent absolute and relative returns. Over the year to 30 April 2017, the net asset value per ordinary share increased by 40.6% compared to the benchmark index, the MSCI AC Asia ex Japan index, which returned 37.5% (all figures: in total return and sterling terms). The Company's share price rose from 183p to 257p, while the year end discount to net asset value, excluding income, at which our shares trade narrowed to 10.3%.

On a longer term view, the returns by the Company have been excellent. I refer you to the table on page 3 which shows that over three years the NAV and share price have increased by 67.5% and 65.8%, respectively, versus the benchmark of 44.6%; over 5 years this outperformance increases with returns of 89.3% and 90%, respectively, versus the benchmark of 59.5% (all figures: total return, in sterling terms).

Dividend

Following last year's dip in revenue return per share, this year it has increased substantially to 4.74p, reflecting the rise in earnings of investee companies as well as the weakness of sterling post Brexit. As a result, the Board is pleased to be recommending a final dividend of 4.30p per ordinary share (2016: 3.65p), an increase of 17.8%. The dividend, which is subject to the approval of shareholders at the Annual General Meeting, will be payable on 14 August 2017 to shareholders on the register on 14 July 2017, and will be marked ex-dividend on 13 July 2017.

Borrowings

The portfolio manager, Ian Hargreaves, has the freedom to borrow within a working range set by the Board within the overall limit of the Company's investment policy, which permits gross gearing of up to 25% of net assets. During the year Ian used limited gearing at times when he believed it was advantageous to do so, and held cash at other times. At the end of the year the cash level had risen to 2.6% as he reduced or sold some positions, and at the time of writing this report he holds 2.5% cash.

Tender Offer, Discount Control and Share Buy Backs

In recent years, the Board has proposed a tender offer if the Company's shares traded over any year at an average discount of more than 10% to NAV excluding income. Despite an excellent performance record, the Company's average discount, excluding income, widened to 10.9% in the year to 30 April 2017 compared with the previous year's average of 9.7%. Consequently, the Board is now seeking the approval of shareholders to implement a 15% tender offer at a separate general meeting to be held after the conclusion of the Company's Annual General Meeting ('AGM').

As announced on 2 May 2017, the Board has been considering its approach to discount control for future financial periods. The Board considers that the inclusion of a tender offer provision with a specific discount trigger has not been effective in controlling the Company's share price discount. Despite outperforming both the benchmark and a number of its peers in the year to 30 April 2017, the discount widened in line with its peer group over the year. Furthermore, the tender offer will reduce the overall size of the Company and if there were future tenders this could in time give rise to concerns regarding the liquidity of the Company's shares. An additional consideration is that as the Company shrinks, the ongoing charges ratio rises. Both of these factors potentially make the Company less attractive to both existing and new investors. The Board has therefore concluded that, beyond the current proposed tender offer, a continuation of these tender arrangements that have hitherto been adopted on a year-by-year basis, would not be in shareholders' long term interests.

Nevertheless, the Board remains committed to seeking to control the discount. Overall, the Board considers it to be desirable that the Company's shares should trade at a price which, on average, represents a discount of less than 10% to NAV excluding income in normal market conditions. In order to meet this, the Company will utilise the authority sought from shareholders annually at the AGM to buy back shares at its discretion having regard, amongst other matters, to factors such as market conditions and the discounts of comparable investment companies.

Shares may be bought back when there is an excess available in the market and the discount is higher than desired. By assisting in addressing any imbalance between supply and demand, the objective is to reduce the scale and volatility of the discount at which the shares trade in relation to the underlying net asset value. Such buy backs will benefit all continuing shareholders as it is the Board's policy to undertake share buy backs only when they enhance net asset value. Accordingly, authority for the Board to buy back shares is sought at the AGM and Special Resolution 11 seeks shareholders' approval to renew the Company's authority to purchase up to 14.99% of its share capital; this is explained in more detail on page 26.

During the year to 30 April 2017 a total of 2,033,675 shares were bought back, enhancing the NAV by £504,000 (0.26%). Of these, 808,182 were bought back into treasury. Since the year end, the average share price discount to NAV has been 10.1% and there have been no further buy backs of shares.

Managing the Company's share price discount remains an important area of focus to the Board and we will actively monitor and evaluate the most appropriate means to address this.

Corporate Broker

The Board announced in February 2017 its decision to appoint Investec Bank plc as the Company's sole financial adviser and broker. The Board's decision to change its corporate broker came after a review of corporate broking services and Investec Bank plc was appointed with effect from 1 March 2017. We look forward to working with the team at Investec going forward.

Board Composition

After serving on the Board for over a decade, James Robinson, Chairman of the Audit Committee and the Management Engagement Committee will retire as a Director of the Company at the forthcoming annual general meeting. James has been a hardworking and exemplary Director and as Chairman of the Audit Committee took the lead in conducting the search for our new auditors, KPMG LLP. The Board would like to thank Mr. Robinson for his services to the Company and its shareholders and wishes him well for the future.

As reported in the Company's half-yearly financial report, during the year the Nomination Committee carried out a review of the composition of the Board and the Company's succession plan. Consequently Fleur Meijs was appointed to the Board in December 2016. Ms Meijs will be appointed as Chairman of the Audit Committee and Management Engagement Committee on James' retirement. The Board believe that her experience as a qualified chartered accountant and former financial services partner at PricewaterhouseCoopers LLP enable her to take the chairmanship of these committees. Through her advisory work for investment banks, brokers, an exchange and a clearing house, Ms Meijs has an excellent understanding of the market players and the infrastructure within which investment trusts operate.

General Meetings

The Company's AGM will be held at 12 noon on 10 August 2017 at 43-45 Portman Square, London W1H 6LY. Ian Hargreaves will be making a presentation, highlighting the achievements of the past year and the prospects for the year to come. He will also be available to answer shareholders' questions. A general meeting of the Company follows at the conclusion of the AGM to consider the proposed tender offer.

I hope as many of you as possible will attend. The Board has considered all the resolutions proposed in the Notice of the AGM and believe all are in the interests of shareholders as a whole. The Directors recommend that you vote in favour of each resolution, and confirm that they will be voting for each resolution.

Carol Ferguson
Chairman

28 June 2017

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2017

BUSINESS REVIEW

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

The business model the Company has adopted to achieve its investment objective has been to contract out investment management and administration to appropriate external service providers, which are overseen by the Board. The principal service provider is Invesco Fund Managers Limited, which throughout this report is referred to as 'the Manager'. Invesco Asset Management Limited, an associate company of the Manager, manages the Company's investments and acts as company secretary under delegated authority from the Manager.

The Manager provides company secretarial, marketing and general administration services including accounting and manages the portfolio in accordance with the Board's strategy. Ian Hargreaves is the portfolio manager responsible for the day-to-day management of the portfolio.

The Company also has contractual arrangements with third parties to act as registrar, corporate broker and depositary. The depositary is BNY Mellon Trust & Depositary (UK) Limited. The depositary has delegated safekeeping of the Company's investments to The Bank of New York Mellon (London Branch), which was previously the Company's custodian and retains that function under delegated authority.

Investment Objective

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

Investment Policy

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

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

Investment Limits

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

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

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

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

Borrowing and Debt

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

Performance and Key Performance Indicators

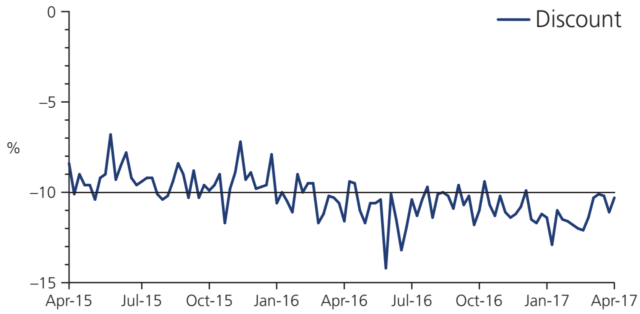
The Board reviews performance by reference to a number of Key Performance Indicators which include the following:

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

A chart showing the total return **NAV** and **share price** performance compared to the Company's benchmark index can be found on page 3.

Peer group performance is monitored in relation to nine other investment trust companies that in the opinion of the Board form the peer group of the Company, being trusts that invest for growth in the Asia excluding Japan sector, as these most closely match the Company's investment objective and capital structure. As at 30 April 2017, in NAV terms the Company was ranked 3rd over one year, 4th over three years and 3rd over five years.

The **discount** of the shares is monitored on a daily basis. During the year the shares traded at a discount to NAV (ex income) in a range of 8.1% to 14.2% with an average discount of 10.9%. This is shown in the adjacent graph which plots the discount over the two years to 30 April 2017. At the year end the discount to the NAV (ex income) stood at 10.3%.



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

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

Results and Dividend

For the year ended 30 April 2017 the net asset value total return was 40.6% compared to the return on the benchmark index of 37.5%. The Portfolio Manager's Report on pages 13 to 16 reviews the results.

Subject to approval at the AGM, the proposed final dividend for the year ended 30 April 2017 of 4.30p per share (2016: 3.65p) will be payable on 14 August 2017 to shareholders on the register on 14 July 2017. Shares will be marked ex-dividend on 13 July 2017.

Financial Position and Borrowing

The Company's balance sheet on page 44 shows the assets and liabilities at the year end. Details of the Company's borrowing facility are shown in note 11 to the financial statements, with interest paid (finance costs) shown in note 5.

STRATEGIC REPORT
BUSINESS REVIEW continued

Outlook, including the Future of the Company

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

Past performance has been good and Directors believe that following the tender offer (as detailed in the Chairman's Statement) the Company will continue in its current form with strong shareholder support.

Investment Process

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

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

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

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

Internal Control and Risk Management

The Directors have overall responsibility for the Company's system of internal controls and are responsible for reviewing the effectiveness of these controls. This includes safeguarding of the Company's assets. The following sets out how the Directors have carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency or liquidity.

The Audit Committee (the 'Committee'), on behalf of the Board, has established an ongoing process for identifying and undertaking a robust assessment of the risks to which the Company is exposed by reference to a risk control summary, which maps the risks, mitigating controls in place, and monitoring and reporting of relevant information to them.

As part of the process, the Committee has identified four risk categories: strategic; investment management; third party service providers; and regulation and corporate governance. An explanation of these categories follows.

Strategic Risk

The Board sets the strategy including objectives of the Company and how these should be achieved. The Board assesses the performance of the Company in the context of the market and macro issues, and gives direction, and monitors, the Manager and other third parties for the actions they take on behalf of the Company.

Investment Management Risk

Investment management covers management of the portfolio together with cash management, gearing and hedging i.e. the items which the portfolio manager has control of, and which generate the Company's performance.

Third Party Service Providers Risk

The Company has no employees and its Directors are appointed on a non-executive basis. The Company is reliant on third party service providers (TPP) for its executive functions. The Company's most significant TPP is the Manager – to which portfolio management, company secretarial and administrative services are delegated. Other significant TPPs are the broker, depositary, custodian, registrar and auditor.

Regulation and Corporate Governance Risk

The Company is required to comply with many regulations including the provisions of the Companies Act 2006, the UK Listing Rules, the Alternative Investment Fund Managers Directive, the Market Abuse Regulation, the FCA's Disclosure Guidance and Transparency Rules, tax regulation as an investment trust, the UK Corporate Governance Code and Accounting Standards.

The resultant ratings of the mitigated risks, in the form of a risk control matrix, enable the Directors to concentrate on those risks that are most significant and also forms the basis of the list of principal risks and uncertainties.

The Company's oversight and its control environment is based on the Company's relationship with its third party service providers, all of which have clearly defined lines of responsibility, delegated authority, and control procedures and systems. The Company uses the three lines of defence model, which is also embedded into the Manager's risk management systems.

The effectiveness of the Company's internal control and risk management system is reviewed at least annually by the Committee. The Committee has received satisfactory reports on the operations and systems of internal control of the Manager, custodian and registrar from the Manager's Compliance and Internal Audit Officers. Reports on the Manager encompassed all the areas the Manager is responsible for: investment management, company secretarial and general administration, including accounting. The Committee also received a comprehensive, and satisfactory, report from the depositary at the year end Committee meeting.

Due diligence is undertaken before any contracts are entered into with any third party service provider. The Manager regularly reviews, against agreed service standards, the performance of all third party providers through formal and informal meetings, and by reference to third party independently audited control reports. The results of the Manager's reviews are reported to and reviewed by the Committee. These various reports did not identify any significant failings or weaknesses during the year and up to the date of this annual financial report. If any had been identified, the required remedial action would have been taken. In particular the Board formally reviews the performance of the Manager annually and informally at every Board meeting. No significant failings or weaknesses occurred throughout the year ended 30 April 2017 and up to the date of this annual financial report.

Reporting to the Board at each board meeting comprises, but is not limited to: financial reports, including any hedging and gearing; performance against the benchmark and the Company's peer group; the portfolio manager's review, including of the market, the portfolio, transactions and prospects; revenue forecasts; and investment monitoring against investment guidelines. The portfolio manager is permitted discretion within these guidelines, which are set by the Board. Compliance with the guidelines is monitored daily. Any proposed variation to these guidelines is referred to the Board.

STRATEGIC REPORT
BUSINESS REVIEW continued

Principal Risks and Uncertainties

The Board has carried out a robust assessment of the risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. The principal risks that follow are those identified by the Board after consideration of mitigating factors. In carrying out this assessment, consideration was given to the market uncertainty arising from Brexit.

CATEGORY AND PRINCIPAL RISK DESCRIPTION	MITIGATING PROCEDURES AND CONTROLS
Strategic Risk	
Market Risk The Company's investments are traded on Asian and Australasian stock markets as well as the UK. The principal risk for investors in the Company is a significant fall and/or a prolonged period of decline in these markets. This could be triggered by unfavourable developments within the region or events outside it.	There are few ways to mitigate market risk because it is influenced by factors which are outside the control of the Board and the Manager. These factors include the general health of the world economy, interest rates, inflation, government policies, industry conditions, political and diplomatic events, tax laws, environmental laws, and by changing investor demand. Such factors may give rise to high levels of volatility in the prices of investments held by the Company.
Investment Objectives The Company's investment objectives and structure are no longer meeting investors' demands.	The Board receives regular reports reviewing the Company's investment performance against its stated objectives and peer group, and reports from discussion with its brokers and major shareholders. The Board also has a separate annual strategy meeting.
Wide Discount Lack of liquidity and lack of marketability of the Company's shares leading to stagnant share price and wide discount. Persistently high discount leads to continual buy backs of the Companys' shares and shrinkage of Company.	The Board receives regular reports from both the Manager and the Company's broker on the Company's share price performance and level of discount, together with regular reports on marketing and meetings with shareholders and prospective investors. The Board recognises the importance of a wide shareholder base and continues with efforts to broaden this, including active marketing and solid investment performance.
Management Risk	
Performance Portfolio manager consistently underperforms the benchmark and/or peer group over 3-5 years.	The Board regularly compares the Company's NAV performance over both the short and long term to that of the benchmark and peer group as well as reviewing the portfolio's performance against benchmark (attribution) and risk adjusted performance (volatility, beta, tracking error, Sharpe ratio) of the Company and its peers. The Board also receives reports on and reviews: the portfolio, transactions in the period, active positions, gearing position and, if applicable, hedging.
Key Person Dependancy The portfolio manager (Ian Hargreaves) ceases to be portfolio manager or is incapacitated or otherwise unavailable.	The portfolio manager works within, and is supported by, the wider Invesco Perpetual Asian Equities Team, including Stuart Parks – the Company's previous portfolio manager.

Investment Management Risk *continued*	
Currency Fluctuation Risk Exposure to currency fluctuation risk negatively impacts the Company's NAV. The movement of exchange rates may have an unfavourable or favourable impact on returns as nearly all of the Company's assets are non-sterling denominated.	With the exception of borrowings in foreign currency, the Company does not normally hedge its currency positions but may do so should the portfolio manager or the Board feel this was appropriate. Contracts are limited to currencies and amounts commensurate with the asset exposure. The foreign currency exposure of the Company is reviewed at Board meetings.
Third Party Service Providers Risk	
Unsatisfactory Performance of Third Party Service Providers Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operations of the Company and could affect the ability of the Company to successfully pursue its investment policy and expose the Company to reputational risk. Disruption to the accounting, payment systems or custody records could prevent the accurate reporting and monitoring of the Company's financial position.	Details of how the Board monitors the services provided by the Manager and the other third party service providers, and the key elements designed to provide effective internal control, are included in the internal control and risk management section on pages 8 and 9.
Information Technology Resilience and Security The Company's operational structure means that all cyber risk (information and physical security) arises at its third party service providers (TPPs). This cyber risk includes fraud, sabotage or crime perpetrated against the Company or any of its TPPs.	As well as regular review of TPPs' audited service organisation control reports by the Audit Committee, the Board receives regular updates on the Manager's information security. The Board monitors TPPs' business continuity plans and testing – including their regular 'live' testing of workplace recovery arrangements.
Regulation and Corporate Governance Risk	
Failure to Comply With Relevant Law and Regulations This could damage the Company and its ability to continue in business. Adverse regulatory or fiscal changes.	The company secretary and the Company's advisers will report any regulatory and fiscal changes to the Board. The Board and the Manager will monitor changes in government policy and legislation which may have an impact on the Company.

Viability Statement

The Company is a collective investment vehicle rather than a commercial business venture and is designed and managed for long term investment. The Company's investment objective clearly sets out the long-term nature of the returns from the portfolio and this is the view taken by both the Directors and the Portfolio Manager in the running of the portfolio. The Company is required by its Articles to have a vote on its future every three years, the next vote being in 2019. The Directors have no reason to believe that shareholders will not vote to release the Directors from their obligation to propose a wind up resolution at that time. On this basis, the Directors consider that 'long term' for the purpose of this viability statement is three years, albeit that the life of the Company is not intended to be limited to this period.

STRATEGIC REPORT
BUSINESS REVIEW continued

In their assessment of the Company's viability, the Directors considered the risks to which it is exposed, as set out on pages 8 to 11, together with mitigating factors. Their assessment considered these risks, as well as the Company's investment objective, investment policy and strategy, the investment capabilities of the Manager and the business model of the Company, which has withstood several major market downcycles since the Company's inception in 1995. Their assessment also covered the current outlook for the Asian economies and equity markets, demand for and buy backs of the Company's shares, the Company's borrowing structure, the liquidity of the portfolio and the Company's future income and annual operating costs. The Directors also considered the impact of the 15% tender offer but believe the Company remains viable after this event and that liquidity will not be an issue. Lastly, whilst past performance may not be indicative of performance in the future, the sustainability of the Company can be demonstrated to date by there being no material change in the Company's investment objective since its launch in 1995.

The Directors confirm that they have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the three year period of assessment.

Board Diversity

The Board takes into account many factors, including the balance of skills, knowledge, diversity (including gender) and experience, amongst other factors when reviewing its composition and appointing new directors, but does not consider it appropriate to establish targets or quotas in this regard. The Board comprises five non-executive directors, three of whom are male. There are no set targets in respect of diversity, including gender. However, diversity forms part of both the Nominations Committee and main Board's deliberations when considering new appointments. The Company's success depends on suitably qualified candidates who are willing, and have the time, to be a director of the Company. Summary biographical details of the Directors are set out on page 21. The Company has no employees.

Social and Environmental Matters

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

As an investment vehicle the Company does not provide goods or services in the normal course of business, and does not have customers. Accordingly, the Directors consider that the Company is not within the scope of the Modern Slavery Act 2015.

STRATEGIC REPORT
PORTFOLIO MANAGER'S REPORT

Ian Hargreaves

Market Review

Asian equity markets, as measured by the MSCI AC Asia ex Japan Index (total return, in sterling terms), rose by 37.5% over the 12 months to 30 April 2017. Factors that have improved investor sentiment include: corporate earnings revisions turning up, an improved outlook for global growth and an easing in fears about potential US trade sanctions. More importantly, strong economic data in China drove the outperformance of its equity market as well as those of Taiwan and Korea which benefited from an export recovery. India recovered its underperformance following demonetisation whilst markets in South East Asia such as Malaysia and the Philippines lagged. Finally, investment returns for UK investors were aided by sterling's depreciation relative to Asian currencies after the unexpected Brexit vote.

China's equity markets benefited from the combination of economic stabilisation, a property market recovery and fading concerns surrounding capital outflows. Consumption growth remains robust and the full year GDP data showed that progress had been made in rebalancing the economy away from investment-led growth. However, high credit growth continues to be a concern for the market with renewed expectation that credit conditions will need to be tightened further as the authorities shift their focus to credit risks rather than economic growth.

The market in India was among the best performers aided by the ruling Bharatiya Janata Party's victory in state elections and credible progress on its reform agenda. The approval of the Bankruptcy Code was a significant step towards cleaning up bank balance sheets, while the goods and services tax constitutional amendment bill is expected to widen the tax net and help boost productivity. The government's demonetisation of high-value currency was initially expected to negatively impact economic activity but we are now seeing such concerns recede.

Turning to other markets, South Korea's equity market rose despite political tensions including President Park Geun-hye's impeachment, tensions caused by North Korean belligerence, and a related Chinese boycott of South Korean products as retaliation to the unpopular US-Korea defence system. The market was focused on positive earnings revisions, low market valuations and improvements in corporate governance. The end of the political limbo on the election of the new president also helped. In particular, Samsung Electronics was one of the best performing stocks as positive earnings revisions drove its share price higher. Sentiment towards this company also benefited from the successful launch of the Galaxy S8 smartphone and continued positive actions to improve shareholder returns. Finally, the Taiwanese equity market was the best performing market as technology stocks offer strong free cash flow characteristics and rose on anticipation that the new iPhone 8 will drive the revenue growth of Apple's suppliers.

Portfolio Review

In the year to 30 April 2017, the Company's net asset value increased by 40.6% (total return, in sterling terms). This performance was ahead of the benchmark which rose by 37.5% (total return, in sterling terms).

The Company's exposure to the technology sector contributed significantly to relative outperformance. In particular, the Chinese internet company NetEase enjoyed strong share price gains on earnings upgrades stemming from its continued success in mobile games in China and the first signs of their international expansion bearing fruit. We gradually trimmed the holding, reflecting the large size of the position in the portfolio. However, the shares remain reasonably valued in our view, given NetEase's track record of launching successful new games in a fast-growing industry. Also, Chinese online retailer JD.com performed strongly. Even though this company was not generating profits until last quarter, we were attracted to the strong cashflow generation of the business that we felt was not being appropriately valued by the market. We maintain a positive view of this company's outlook. In particular, we believe that as the company grows, its greater buying power will allow it to capture higher product rebates and discounts which will drive margins higher and enhance its price competitiveness.

STRATEGIC REPORT
PORTFOLIO MANAGER'S REPORT continued

Our exposure to Indian equities added considerable value this year. For example, the agrochemical company UPL continued to perform well as the market has become more convinced of its ability to sustain mid-teen earnings growth. Given the diversity of its product and geographical mix, UPL has delivered stable profitability despite fluctuations in weather and commodity prices. Importantly, its successful new product pipeline has allowed it to grow at above the industry rate. We gradually took profits in the latter half of the year as the shares continued to outperform. The share price of Adani Ports and Special Economic Zone, the largest private port operator in India, recovered over the year with the rebound in its cargo volumes acting as a catalyst. The market also rewarded management's efforts to unwind related party loans and reduce capital expenditure. We retain a position in the company as we believe it is a good way to play economic revival in India. Smaller Indian companies also provided a source of opportunity, with Gujarat Gas and real estate company Sobha outperforming significantly. A new government policy to lower corporation tax on affordable housing projects could potentially revive what has been a dull property market in many cities, helping developers such as Sobha to tap into this large market. Lower mortgage rates and the government's interest subsidy scheme should help drive demand.

Amongst other holdings in the small and mid-cap space, MINTH, a Chinese auto-parts manufacturer, added notable value on stronger than expected sales growth both in China and export markets. Importantly, the company also demonstrated margin expansion as its investments in Europe and the US have begun to bear fruit and it successfully takes market share in higher margin products such as aluminium trims. This led to a re-rating of the shares. The positive investment case for this company was reinforced by the recent full year results and management's confidence in the outlook for 2017 revenue. We believe the company is still attractive given the growth visibility provided by its order book over the next few years.

Conversely, having been a strong performer in recent years, the holding in Korea Electric Power (Kepco) was the largest drag on performance during the fiscal year due to a sharp recovery in coal prices, a major cost item for the company. There have also been concerns about potentially adverse policy changes post the presidential election. However, we believe that the market is overestimating the risk of tariff cuts and is underappreciating the government's incentive to ensure that Kepco generates an acceptable return on capital. Without this, Kepco will be unable to deliver on the government's commitment to transition the power generation mix away from coal and nuclear towards renewables.

Finally, Baidu's share price was held back partly due to new search-advertising rules which negatively impacted its earnings. To meet the new requirements, the company engaged in a clean-up exercise of its customer base to ensure that all customers had the correct certificate to advertise online. This initially led to a decline in customer numbers and pricing. However, we viewed this as a short term issue and we are pleased that the new Chief Operating Officer has moved to de-emphasise the transaction services business, which requires large subsidies in order to gain market share. As these issues fade, margins should increase as the company focuses its attention on the core search business whilst investing in areas such as online video and newsfeed where it has an established competitive advantage.

Outlook

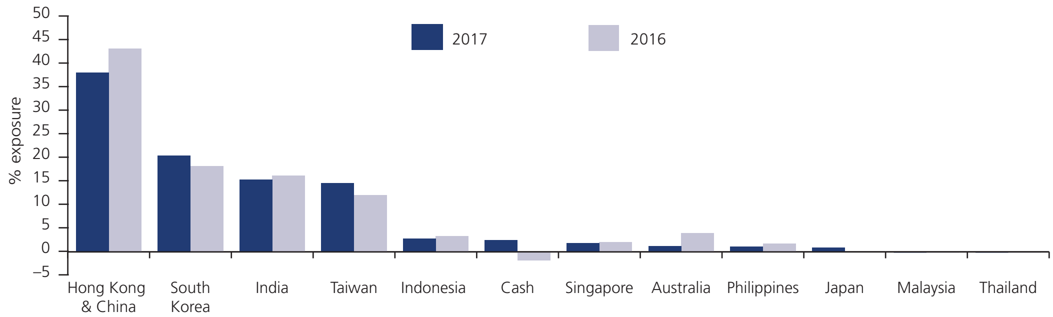
With Asian markets having recovered strongly since the lows in February 2016, valuations are now less attractive than before. In particular equal-weighted average valuations in Asia ex Japan are now close to 17x 2017 earnings. This is towards the upper end of the range since the global financial crisis. In our view, this means that further sustainable market performance will be more reliant on an improvement in earnings momentum. Since late 2016, consensus 2017 earnings for Asia ex Japan have been revised up by 7%. To date, the earnings improvement has been mainly concentrated in the materials, energy and technology sectors and to a lesser extent financials. With the exception of technology, where insufficient supply of memory chips is the cause, the re-acceleration of the Chinese economy has been the dominant driving force. This, in turn, has resulted from an easing in monetary policy and rapid credit growth. Since the end of 2016, however, the Chinese government has expressed increased concern about overheating in areas of the property market and high leverage in parts of the non-bank financial sector. An important factor is credit impulse relative to GDP and as figure 1 shows, the authorities have already tightened credit conditions. This will likely lead to a moderate slowing in Chinese economic growth in coming months and a peak in earnings momentum for the sectors that rely heavily on Chinese growth. The strength in a number of Asian currencies versus the US Dollar since the beginning of 2017 will be an additional drag on future earnings growth.

Figure 1. Credit impulse in China relative to GDP

Source: Emerging Advisors Group, data to 30 April 2017. Credit impulse is defined as the monthly flow of new credit divided by nominal GDP (index 2005=100, 3 month moving average). A 12 month cumulative GDP figure is used to avoid seasonal swings.

As a result of this view, the Company has gradually been reducing its exposure to the more cyclical areas of the market and, as figure 2 demonstrates, the allocation to Hong Kong and China has been reduced over the last 12 months. We have also allowed cash levels in the Company to rise (2.6% at the end of April 2017) by not fully reinvesting the proceeds.

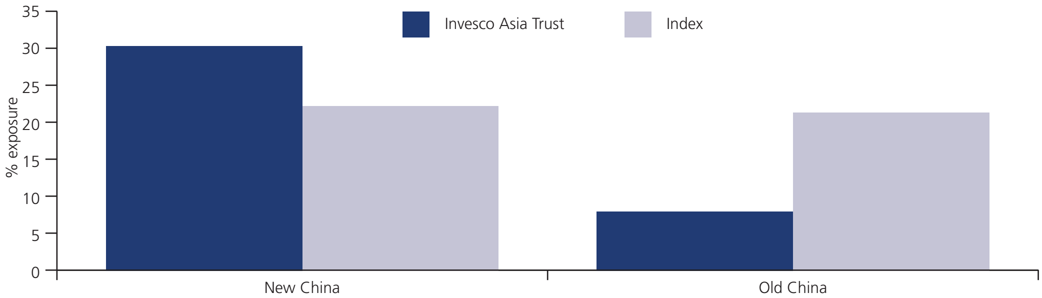
Figure 2. Change in geographical exposure year-on-year



Source: Invesco Perpetual, 30 April 2017.

Within the Hong Kong and China portfolio we continue to favour sectors (figure 3) that we believe will become more important economically in the long run. The Company's holdings in NetEase (mobile gaming), JD.com (ecommerce), Baidu (artificial intelligence), AIA (life insurance) and Samsonite International (travel) are examples of this.

Figure 3. HK & China – exposure vs. MSCI AC Asia ex Japan



Source: Invesco as at 30 April 2017. *Old China: all sectors outside consumer staples/discretionary, healthcare, IT and telecoms. We have also classified 51Job, EVA Precision Industrial, AIA and CK Hutchison as "New" rather than "old". Index: For illustrative purposes only.

STRATEGIC REPORT
PORTFOLIO MANAGER'S REPORT continued

India remains the largest overweight market for the Company. In our opinion, India is differentiated in two ways from other Asian economies. Firstly, it is one of the only economies at the trough of its credit cycle. It has seen a negligible increase in leverage over the last 10 years, a period during which most other Asian economies have seen large increases in debt levels. It currently has the lowest credit growth for 30 years as the banks deal with bad debts resulting from the infrastructure lending boom of the last decade. This is leading to relatively subdued economic activity, weak private investment and low earnings momentum. However, India's position in the credit cycle suggests there are fewer constraints to growth in the longer term as compared to other Asian economies. Secondly, under the stewardship of Prime Minister Modi, India has the best reform momentum amongst the countries we invest in. There are headline grabbing reforms such as the introduction of a unified goods and service tax, demonetisation, the use of technology to distribute subsidies and reforms in the real estate sector. However, there is also evidence of better execution in the day to day operation of the bureaucracy and a gradual assault on the small scale corruption that acts as a friction to economic activity. We continue to like the private banks in India. HDFC Bank is the largest holding in our India portfolio. Representing only 30% of lending in India, these banks still have great potential to gain market share from the government banks which struggle to compete on customer service, efficiency and credit appraisal.

In an economic environment which may have seen the best of the cyclical upturn and where valuation levels have caught up with events, our focus remains on trying to uncover companies that have sustainable earnings growth prospects but where valuations are reasonable. Some of the best contributors to the Company's performance over the last few years, like NetEase and UPL, are examples of where the market has been under-estimating the earnings power and quality of these businesses. Although we have been taking profits in these companies, the largest reductions have been in the more cyclical sectors such as Materials and Industrials, where some of the Company's holdings, such as Origin Energy in Australia or Jardine Matheson in Hong Kong, saw their share prices reach levels that fully priced in the fundamental improvements in our view. We have added to the technology sector in China and Taiwan in companies with defensive characteristics: strong balance sheets and free cash flow generation. We continue to cast the net as wide as possible by looking at small and mid-sized companies, which is typically a less well researched segment of the market frequently trading at discounts to larger companies. Companies below £3 billion now represent 20% of the portfolio.

Ian Hargreaves
Portfolio Manager

The Strategic Report was approved by the Board of Directors on 28 June 2017.
Invesco Asset Management Limited
Company Secretary

The Portfolio Manager

Ian Hargreaves manages pan-Asian portfolios and covers the entire Asian region in his remit. He started his investment career with Invesco Asia Pacific in Hong Kong in 1994 as an investment analyst where he was responsible for coverage of Indonesia, Korea and the Indian sub-continent, as well as managing several regional institutional client accounts. Ian returned to the UK to join Invesco Perpetual's Asian Equities team in 2005, working on the portfolio as part of the investment team. He was appointed as joint portfolio manager in 2011 and became the sole portfolio manager on 1 January 2015.

INVESTMENTS IN ORDER OF VALUATION

AT 30 APRIL 2017

Ordinary shares unless stated otherwise
The industry group is based on MSCI and Standard & Poor's Global Industry Classification Standard.

COMPANY	INDUSTRY GROUP†	COUNTRY	AT MARKET VALUE £'000	% OF PORT-FOLIO
Samsung Electronics	Technology Hardware & Equipment	South Korea		
– *ordinary shares*			10,465	8.2
– *preference shares*			8,940	
NetEase – *ADR*	Software & Services	China	9,285	3.9
Baidu – *ADR*	Software & Services	China	8,610	3.6
HDFC Bank	Banks	India	8,450	3.6
Taiwan Semiconductor Manufacturing	Semiconductors & Semiconductor Equipment	Taiwan	8,449	3.6
AIA	Insurance	Hong Kong	8,275	3.5
UPL	Materials	India	8,176	3.5
Hyundai Motor – *preference shares*	Automobiles & Components	South Korea	8,009	3.4
China Mobile[R]	Telecommunication Services	China	7,559	3.2
MINTH	Automobiles & Components	China	6,411	2.7
Top Ten Holdings			**92,629**	**39.2**
CK Hutchison	Capital Goods	Hong Kong	6,393	2.7
Samsonite International	Consumer Durables & Apparel	Hong Kong	5,836	2.5
Korea Electric Power	Utilities	South Korea	5,629	2.4
Hon Hai Precision Industry	Technology Hardware & Equipment	Taiwan	5,570	2.3
Tencent	Software & Services	Hong Kong	5,075	2.1
MediaTek	Semiconductors & Semiconductor Equipment	Taiwan	5,014	2.1
Chroma ATE	Technology Hardware & Equipment	Taiwan	4,962	2.1
United Overseas Bank	Banks	Singapore	4,845	2.1
JD.com – *ADR*	Retailing	China	4,735	2.0
HSBC	Banks	Hong Kong	4,407	1.9
Top Twenty Holdings			**145,095**	**61.4**
ASUSTeK Computer	Technology Hardware & Equipment	Taiwan	4,277	1.8
China Life Insurance (Taiwan)	Insurance	Taiwan	4,213	1.8
Shinhan Financial	Banks	South Korea	4,047	1.7
Telekomunikasi Indonesia	Telecommunication Services	Indonesia	3,726	1.6
Sobha	Real Estate	India	3,509	1.5
Aurobindo Pharma	Pharmaceuticals, Biotechnology & Life Sciences	India	3,495	1.5
DGB Financial	Banks	South Korea	3,473	1.5
Tata Consultancy	Software & Services	India	3,372	1.4
PT Bank Negara Indonesia Persero	Banks	Indonesia	3,339	1.4
HKR International	Real Estate	Hong Kong	3,338	1.4
Top Thirty Holdings			**181,884**	**77.0**

INVESTMENTS IN ORDER OF VALUATION continued

COMPANY	INDUSTRY GROUP	COUNTRY	AT MARKET VALUE £'000	% OF PORT-FOLIO
Industrial & Commercial Bank Of China[H]	Banks	China	3,331	1.4
Yageo	Technology Hardware & Equipment	Taiwan	3,235	1.4
Asaleo Care	Household & Personal Products	Australia	3,180	1.3
POSCO	Materials	South Korea	3,148	1.3
Adani Ports & Special Economic Zone	Transportation	India	3,147	1.3
Filinvest Land	Real Estate	Philippines	3,027	1.3
Housing Development Finance	Banks	India	2,974	1.2
FIH Mobile	Technology Hardware & Equipment	Hong Kong	2,867	1.2
Cheung Kong Property	Real Estate	Hong Kong	2,734	1.2
Petrochina – *ADR*	Energy	China	2,733	1.2
Top Forty Holdings			**212,260**	**89.8**
Qingling Motors[H]	Automobiles & Components	China	2,704	1.2
EVA Precision Industrial	Capital Goods	Hong Kong	2,697	1.1
51job – *ADR*	Commercial & Professional Services	China	2,445	1.1
Nexon	Software & Services	Japan	2,418	1.0
Korean Reinsurance	Insurance	South Korea	2,319	1.0
ICICI	Banks	India	2,214	0.9
Gujarat Gas	Utilities	India	2,104	0.9
Finetex EnE	Capital Goods	South Korea	2,017	0.9
Hyundai Home	Retailing	South Korea	1,982	0.8
CNOOC[R]	Energy	China	1,859	0.8
Top Fifty Holdings			**235,019**	**99.5**
Pacific Basin Shipping	Transportation	Hong Kong	1,219	0.5
Total holdings of 51 (2016: 57)			**236,238**	**100.0**

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

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

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

CLASSIFICATION OF INVESTMENTS BY COUNTRY/SECTOR

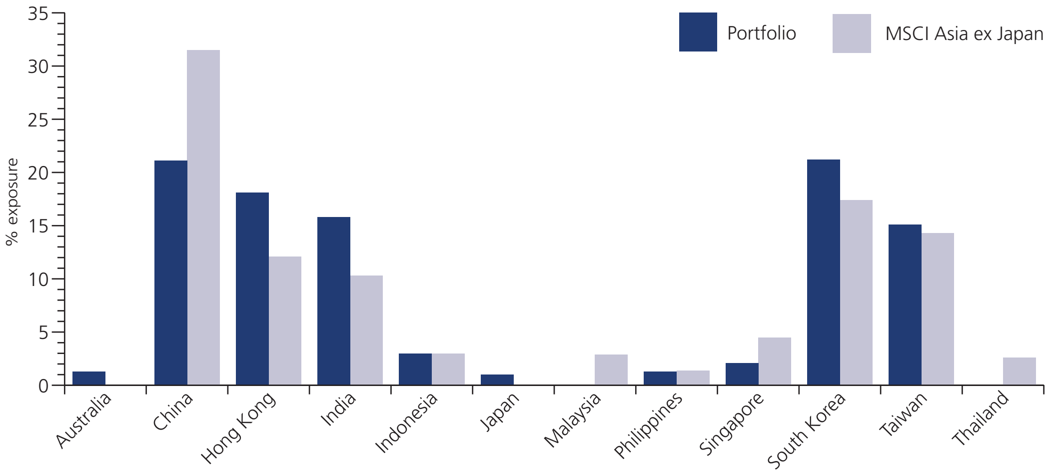
AT 30 APRIL

	2017 AT VALUATION £'000	2017 % OF PORTFOLIO	2016 AT VALUATION £'000	2016 % OF PORTFOLIO
Australia				
Commercial & Professional Services	–	–	3,781	2.1
Energy	–	–	1,861	1.0
Household & Personal Products	3,180	1.3	–	–
Materials	–	–	1,799	1.0
	3,180	1.3	7,441	4.1
China				
Automobiles & Components	9,115	3.9	7,109	3.9
Banks	3,331	1.4	3,713	2.0
Commercial & Professional Services	2,445	1.1	2,123	1.1
Energy	4,592	2.0	4,255	2.4
Retailing	4,735	2.0	–	–
Software & Services	17,895	7.5	13,762	7.5
Telecommunication Services	7,559	3.2	7,593	4.1
	49,672	21.1	38,555	21.0
Hong Kong				
Banks	4,407	1.9	3,663	2.0
Capital Goods	9,090	3.8	8,398	4.6
Consumer Durables & Apparel	5,836	2.5	4,052	2.2
Insurance	8,275	3.5	5,421	2.9
Materials	–	–	3,360	1.8
Real Estate	6,072	2.6	5,319	2.9
Software & Services	5,075	2.1	2,168	1.2
Technology Hardware & Equipment	2,867	1.2	3,171	1.8
Transportation	1,219	0.5	1,468	0.8
Utilities	–	–	2,382	1.3
	42,841	18.1	39,402	21.5
India				
Automobiles & Components	–	–	2,994	1.6
Banks	13,638	5.7	7,858	4.3
Materials	8,176	3.5	5,481	3.0
Pharmaceuticals, Biotechnology & Life Sciences	3,495	1.5	–	–
Real Estate	3,509	1.5	2,376	1.3
Software & Services	3,372	1.4	6,348	3.4
Transportation	3,147	1.3	1,587	0.9
Utilities	2,104	0.9	2,760	1.5
	37,441	15.8	29,404	16.0
Indonesia				
Banks	3,339	1.4	2,436	1.3
Telecommunication Services	3,726	1.6	3,539	2.0
	7,065	3.0	5,975	3.3

CLASSIFICATION OF INVESTMENTS BY COUNTRY/SECTOR continued

	2017 AT VALUATION £'000	2017 % OF PORTFOLIO	2016 AT VALUATION £'000	2016 % OF PORTFOLIO
Japan				
Software & Services	2,418	1.0	–	–
	2,418	1.0	–	–
Philippines				
Consumer Services	–	–	392	0.2
Real Estate	3,027	1.3	3,019	1.7
	3,027	1.3	3,411	1.9
Singapore				
Banks	4,845	2.1	3,466	1.9
Capital Goods	–	–	595	0.3
	4,845	2.1	4,061	2.2
South Korea				
Automobiles & Components	8,009	3.4	7,802	4.3
Banks	7,520	3.2	5,559	3.0
Capital Goods	2,017	0.9	–	–
Insurance	2,319	1.0	–	–
Materials	3,148	1.3	3,076	1.7
Retailing	1,982	0.8	1,749	0.9
Technology Hardware & Equipment	19,405	8.2	10,856	5.9
Utilities	5,629	2.4	4,225	2.3
	50,029	21.2	33,267	18.1
Taiwan				
Insurance	4,213	1.8	4,484	2.5
Semiconductors & Semiconductor Equipment	13,463	5.7	5,388	2.9
Technology Hardware & Equipment	18,044	7.6	11,957	6.5
	35,720	15.1	21,829	11.9
Total	**236,238**	**100.0**	**183,345**	**100.0**

Geographic Analysis of Portfolio versus Benchmark



DIRECTORS

Carol Ferguson (Chairman)
Appointed 10 March 2009 and Chairman on 8 August 2013
Carol is a non-executive director of BlackRock Greater Europe Investment Trust plc, Standard Life Smaller Companies Investment Trust plc and Vernalis plc. She is also a former chairman of the Association of Investment Companies. She is a member of the Institute of Chartered Accountants of Scotland and a former member of Council of ICAS. Her investment and financial experience include positions at Ivory and Sime investment managers and Wood Mackenzie stockbrokers, where she was a partner and lead oil analyst and, subsequently, at The Times newspaper where she was a financial journalist.

She is also Chairman of the Nomination and Remuneration Committees.

Owen Jonathan
Appointed 1 March 2013
Owen is currently senior advisor to the Global Executive Committee of Norton Rose Fulbright where he advises on global strategy and risk. Between 1983 and 1994 he was a Partner at its predecessor firm, Norton Rose. From 1994 to 2000 he held the positions of Deputy Chief Executive and subsequently Chief Executive of the Hong Kong publicly listed South China Morning Post. From 1994 to 1997 he was also General Counsel to the Kuok Group, one of Asia's largest family-owned conglomerates. In 2000 he joined PricewaterhouseCoopers LLP as General Counsel where he was a member of the firm's Executive Board for over ten years, retiring in December 2012.

Tom Maier
Appointed 10 March 2009
Tom was the chief investment officer of Carlton Capital Partners until January 2011. A graduate from the Imperial College of Science and Technology, he joined Baring Asset Management (formerly Henderson Baring Management) in 1982. Over his 24-year career with the company, he managed a broad range of investment mandates from Hong Kong, Tokyo and London, specialising in global asset allocation. In 2001, he also became head of alternative investments, reporting to the chief investment officer, until his departure in 2006.

Fleur Meijs
Appointed 7 December 2016
Fleur is currently a director of Bridge to the Future, the endowment fund for UWC (United World College) Mostar and a Member of the Advisory Council for the British Museum Friends.

An ACA qualified chartered accountant and graduate from Erasmus University Rotterdam. She was financial services partner at PricewaterhouseCoopers LLP until May 2016. She has specialised in significant and complex audit and high profile projects with top-tier financial institutions in the City. She has also been a member of the Dutch Parliamentary committee in respect of the structure of banks in the Netherlands.

She will be appointed as Chairman of the Audit and Management Engagement Committees following James Robinson's retirement at the forthcoming Annual General Meeting.

James Robinson
Appointed 3 January 2007
James was chief investment officer, investment trusts and director of hedge funds at Henderson Global Investors prior to his retirement in 2005. A chartered accountant, he has 33 years investment experience and is a director of Fidelity European Values plc, JPMorgan Elect plc, Montanaro UK Smaller Companies Investment Trust plc and chairman of Polar Capital Global Healthcare Growth and Income Trust plc. He is also former chairman of the Investment Committee of the British Heart Foundation.

He is Chairman of the Audit and Management Engagement Committees.

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

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2017

Introduction

The Directors present their report for the year ended 30 April 2017.

Results and Dividends

Details of the Company's results and proposed dividend are shown on page 7.

Business and Status

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

Tender Offer

In the 2016 annual financial report, the Board proposed a tender offer (subject to necessary shareholder approval) for up to 15% of the Company's issued share capital, at a 2% discount to NAV after deduction of the costs of the tender, if the Company's shares traded over the year to 30 April 2017 at an average discount of more than 10% to NAV (ex income). The average discount over the year was 10.9% and the Board therefore intends to seek shareholder approval to implement a tender offer at a separate general meeting to be held after the conclusion of the Company's AGM.

The Company has prepared the necessary tender offer documentation, for despatch with this annual financial report.

Life of the Company

The Company's Articles of Association require that every three years the Directors propose an ordinary resolution to release them from the obligation to wind up the Company, or they must put forward proposals to wind up the Company. As shareholders voted to release the Directors from the obligation to wind up the Company at the 2016 AGM, the next resolution in respect of this will be at the 2019 AGM.

Going Concern

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

The Manager

Investment Management Agreement (IMA)

Invesco Fund Managers Limited (IFML) acts as Manager and provides administration services to the Company under the IMA dated 22 July 2014. The agreement is terminable by either party giving not less than six months' written notice. Under the agreement a management fee is payable quarterly in arrears and is equal to 0.75% per annum of the value of the Company's total assets less current liabilities (including any short-term borrowings) under management at the end of the relevant quarter. The assets for this purpose exclude the value of any investments in other funds managed by the Manager. Details of fees payable for the year are included in note 3.

The Manager also receives a separate fee for secretarial and administrative services, details of which are shown in note 4(iv).

The Manager's Responsibilities

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

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

Assessment of the Manager

The Management Engagement Committee considers the ongoing investment management, secretarial and administrative requirements of the Company. These are assessed with reference to key performance indicators, with emphasis on performance relative to that of the benchmark index and the Company's peer group. The quality and timeliness of reports to the Board is also taken into account and the overall conduct of the Company's affairs by the Manager is considered.

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

Company Secretary

The Board has direct access to the advice and services of the company secretary, Invesco Asset Management Limited, which 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.

Social and Environmental Policies

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

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

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

Directors

Disclosable Interests

The Directors' interests in the ordinary share capital of the Company are disclosed in the Directors' Remuneration Report on page 38.

DIRECTORS' REPORT
continued

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

Directors' Indemnification and Insurance

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

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

Conflicts of Interest

A Director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests.

The Articles of Association of the Company give the Directors authority to approve such situations and include other provisions to allow conflicts of interest to be resolved.

The Directors have declared any potential conflicts of interest to the Company. The Register of Potential Conflicts of Interests is kept in the registered office of the Company. It is reviewed regularly by the Board and Directors are obliged to 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.

Capital Structure

Capital Structure, including Share Buy Backs

The Company share capital comprises ordinary and treasury shares of 10p nominal value. The Company has the authority to issue new shares and to buy back shares into treasury or for cancellation. The annual resolutions to continue this authority are set out on page 25 and 26, and include the Boards' reasons for requesting shareholder permission. Movements in the share capital over the year are set out in note 12. Shares bought back represented 2.3% of the ordinary share capital of the Company at the start of the year and resulted in an enhancement to NAV of £504,000 (0.26%).

There have been no shares bought back since the year end.

Rights Attaching to the Ordinary Shares

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

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

Restrictions on Transfers

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

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

Substantial Holdings in the Company

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

FUND MANAGER/ REGISTERED HOLDER	31 MAY 2017 SHARES	%	30 APRIL 2017 SHARES	%	30 APRIL 2016 %
Lazard Asset Management	12,895,177	15.4	13,001,328	15.6	16.0
City of London Investment Management	12,348,330	14.8	12,794,033	15.3	17.9
Wells Capital Management	8,411,501	10.8	8,411,501	10.8	10.9
Derbyshire County Council Pension Fund	7,480,000	8.9	7,480,000	8.9	8.7
Aberdeen Asset Management	4,078,638	4.8	4,080,228	4.8	3.7
Rathbones	3,630,946	4.3	3,695,746	4.4	5.2
BAE Systems Pensions	2,668,658	3.2	2,668,658	3.2	4.2

Disclosure Required by Listing Rule 9.8.4

The above rule requires listed companies to report certain information in a single identifiable section of their annual financial reports. The Company confirms that there were no relevant events for the year to 30 April 2017.

Corporate Governance

The Corporate Governance Statement on pages 28 to 32 forms part of this Directors' Report.

Audit Information

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

Greenhouse Gas Emissions

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

Special Business at the Annual General Meeting (AGM)

Shareholders will find on pages 59 to 62 the notice of the forthcoming AGM of the Company to be held on 10 August 2017. In addition to the ordinary business of the meeting, the following resolutions are proposed as special business and are summarised below.

Ordinary Resolution 9 is to renew the Directors' authority to allot shares. Your Directors are seeking authority to allot new ordinary shares up to an aggregate nominal value of £875,141 (10% of the Company's issued share capital at 28 June 2017). This will allow Directors to issue shares within the prescribed limits should opportunities to do so arise that they consider would be in shareholders' interests. This authority will expire at the AGM in 2018.

Special Resolution 10 is to renew the authority to disapply pre-emption rights. Your Directors are asking for authority to issue new ordinary shares for cash up to an aggregate nominal value of £437,570 (5% of the Company's issued share capital as at 28 June 2017), disapplying pre-emption rights. This will allow shares to be issued to new shareholders without them first having to be offered to existing shareholders, thus broadening the shareholder base of the Company. This authority will not

DIRECTORS' REPORT
continued

be exercised at a price below NAV so the interests of existing shareholders are not diluted and will expire at the AGM in 2018.

Special Resolution 11 is to renew the authority for the Company to purchase its own ordinary shares. Your Directors are seeking authority to purchase up to 13,118,366 ordinary shares (14.99% of the Company's issued ordinary share capital as at 28 June 2017), subject to the restrictions referred to in the notice of the AGM. This authority will expire at the AGM in 2018. Your Directors are proposing that ordinary shares bought back by the Company either be cancelled or, alternatively, be held as treasury shares with a view to their resale, if appropriate, or later cancellation. Any resale of treasury shares will only take place on terms that are in the best interest of shareholders.

Special Resolution 12 is to permit the Company to hold general meetings (other than annual general meetings) on 14 days notice, which is the minimum notice period permitted by the Companies Act 2006. The EU Shareholder Rights Directive increases the minimum notice period to 21 days unless two conditions are met. The first condition is that the Company offers facilities for shareholders to vote by electronic means. The second condition is that there is an annual resolution of shareholders approving the reduction in the minimum notice period from 21 days to 14 days, hence this resolution being proposed. It is intended that the flexibility will be used only where the Board believes it is in the interests of shareholders as a whole.

By order of the Board

Invesco Asset Management Limited
Company Secretary

28 June 2017

THE COMPANY'S CORPORATE GOVERNANCE FRAMEWORK

AT 30 APRIL 2017

The Board and Committees

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

The Board

Chairman: Carol Ferguson

Members: All directors

Key responsibilities:

– to set strategy, values and standards;
– to provide leadership within a framework of prudent and effective controls which enable risk to be assessed and managed; and
– to challenge constructively and scrutinise performance of all outsourced activities.

Nominations Committee

(page 29)

Chairman:
Carol Ferguson

Members:
All directors

Key responsibilities:

– to review regularly the Board's structure and composition; and
– to make recommendations for any changes and nominations for new appointments.

Remuneration Committee

(page 30)

Chairman:
Carol Ferguson

Members:
All directors

Key responsibilities:

– to set the remuneration policy of the Company; and
– to review annually Directors' fees and make recommendations for any changes.

Management Engagement Committee

(page 31)

Chairman:
James Robinson

Members:
All directors

Key responsibilities:

– to review regularly the management contract; and
– to undertake an annual performance evaluation of the Manager.

Audit Committee

(page 33)

Chairman:
James Robinson

Members:
All directors

Key responsibilities:

– to oversee the control environment and financial reporting; and
– to review other service providers, including the auditor and company secretary.

CORPORATE GOVERNANCE STATEMENT

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

Corporate Governance Principles

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

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

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

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

The UK Code includes provisions relating to:

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

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

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

The Board

The Board normally consists of four non-executive Directors, all of whom the Board regards as independent. 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 21.

Chairman

The Chairman of the Board is Carol Ferguson. She has been a member of the Board since 2009.

Senior Independent Director

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

Board Function

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

Committees

The membership and key responsibilities of the individual nomination, remuneration, management engagement and audit committees are set out in the Company's Corporate Governance Framework on page 27. All the committees have written terms of reference which are reviewed regularly and clearly define their 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 section of the Manager's website.

Nominations Committee

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

During the year the Committee reviewed the performance evaluation of the Chairman, Board and Committees. Succession planning was also reviewed taking into consideration the skills and tenure of the Directors. The Committee used an external independent recruitment consultancy, Trust Associates, to search for an additional director to join the Board and succeed Mr Robinson as Chairman of the Audit and Management Engagement Committees. The Committee prepared a detailed description of the role and skills required. As a result Ms Meijs was appointed to the Board with effect from 7 December 2016. The Board's commitment to succession planning continues and it is expected that another new Director will be appointed during the current year.

Appointment, Re-election and Tenure of Directors

As reported above, Ms Meijs was appointed to the Board on 7 December 2016. The Board considered that with her significant experience and knowledge she will make a valuable contribution to the Board and its Committees. Ms Meijs will stand for election at the forthcoming AGM and the Board recommend that shareholders support ordinary resolution 6. Ms Meijs will assume the role of Chairman of the Audit and Management Engagement Committees at the close of the AGM.

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 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. Mr Jonathan was re-elected at the Company's AGM in 2016 and will therefore stand for re-election in 2019; Mr Maier was re-elected at the Company's AGM in 2015 and will therefore stand for re-election in 2018; and Mrs Ferguson was re-elected at the Company's 2014 AGM and will therefore stand for re-election at the forthcoming AGM.

The normal tenure of office will be for three terms of three years, except that the Board may determine otherwise if it is considered that the director remains independent and their continued membership of the Board is in the best interests of the Company and its shareholders. A Director serving longer than nine years will seek re-election annually. Mr Robinson, having served the Board for over ten years will not stand for re-election this year and will retire at the conclusion of the AGM.

CORPORATE GOVERNANCE STATEMENT

continued

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 during the year in terms of:

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

During the year the Board undertook a formal appraisal process, the results of which concluded that the Board and Committees of the Board are effective in all areas. The Directors are confident in their ability to continue to make valuable contributions and to demonstrate commitment to their respective roles.

Attendance at Board and Committee Meetings

All Directors attended all Board and Committee meetings during the year, as demonstrated by the table below.

Meeting:	BOARD	AUDIT COMMITTEE	MANAGEMENT ENGAGEMENT COMMITTEE	REMUNERATION COMMITTEE	NOMINATION COMMITTEE
Number of Meetings Held:	5	3	1	1	2
Meetings Attended:					
Carol Ferguson	5	3	1	1	2
Owen Jonathan	5	3	1	1	2
Tom Maier	5	3	1	1	2
James Robinson	5	3	1	1	2
Fleur Meijs†	2	2	n/a	1	n/a

† Appointed 7 December 2016. Only two board and audit committee meetings have been held since Ms Meijs' appointment.

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

Remuneration Committee

The Directors' Remuneration Policy was reviewed by the Committee during the year and is set out in full in the Directors' Remuneration Report. The Committee also reviewed the Directors' annual fee rates during the year, taking into account the work undertaken by Directors as well as peer group and industry comparatives. As part of its review, the Committee considered the appointment of an external consultant but was satisfied that this was not required due to the quality of the information provided to the Committee by the Manager.

Board Responsibilities

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

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

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

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

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

Internal Control and Risk Management

The Directors acknowledge that they are responsible for the Company's systems of internal financial and non-financial controls which have been in place throughout the year and up to the date of this report. The 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.

Details of the Company's internal control and risk management are set out on pages 8 and 9. The Directors consider that the Company's internal control and risk management systems enable the Company to comply with the FRC's guidance on such.

Accountability and Audit

The Directors' responsibilities for the Company's accounting records and financial statements are set out on pages 43 to 58. The Independent Auditor's Report appears on pages 40 to 42.

Audit Committee

The composition and activities of the Audit Committee are set out in the Chairman of the Audit Committee's Report on pages 33 to 35, and are included in this report by reference.

Management Engagement Committee

The Board is considered small for the purposes of the AIC Code and all the Directors are members. The Committee meets annually to review the investment management agreement with the Company's Manager and to review the services provided by the Manager.

During the year the Committee reviewed the performance of the portfolio manager against the Company's benchmark and peer group as well as the administration services provided by the Manager. In addition, investment management fees were reviewed against those in the peer group and other comparative products. The Committee recommended the continuing appointment of the Manager on the same terms and the basis of the Committee's assessment is set out in detail on page 23.

CORPORATE GOVERNANCE STATEMENT

continued

Stewardship

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

Relations with Shareholders

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

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

Shareholders can also visit the Company's section of the Manager's website in order to access copies of annual and half-yearly financial reports, pre-investor information, shareholder circulars, factsheets and Stock Exchange Announcements. Shareholders can also access various Company reviews and information such as an overview of Asian equities and the Company's share price. Finally, shareholders are able to access copies of the schedule of matters reserved for the Board, terms of reference of the Board committees and, following any shareholders' general meetings, proxy voting results.

By order of the Board

Invesco Asset Management Limited
Company Secretary
28 June 2017

AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 30 APRIL 2017

The Audit Committee comprise all the Directors under the Chairmanship of Mr Robinson. Committee members consider that, collectively, they are appropriately experienced to fulfil the role required.

As mentioned in the Chairman's Statement, Mr Robinson will retire as a Director of the Company at the forthcoming AGM and Ms Meijs will be appointed as Chairman of the Audit Committee.

Audit Committee Responsibilities and Activities

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

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

Representatives of the auditor attended the Committee meeting at which the draft annual financial report was reviewed and were given the opportunity to speak to Committee members without the presence of representatives of the Manager. The Committee met with representatives of the Manager and received reports on the quality and effectiveness of the accounting records and management information maintained on behalf of the Company and the systems of internal controls in place. Representatives of the Manager's Compliance and Internal Audit Departments provided reports and attended Committee meetings, one meeting being prior to approval and signature of the annual financial report. The Committee has direct access to the depositary which provided its report to the Committee at the meeting to discuss the annual financial report.

Accounting Matters and Significant Issues

The table below describes the significant issues considered by the Audit Committee in relation to the financial statements for the year ended 30 April 2017, and how these were addressed.

SIGNIFICANT ISSUE	HOW ADDRESSED
Proof of the existence of the Company's investments and cash	During the year holdings are reconciled by the Manager to the custodian records on a daily basis. The Committee reviewed the Manager's and custodian's independently audited service organisation control reports. The depositary also undertakes their own independent monthly reconciliations. At the financial year end the portfolio positions are checked as part of the independent auditor's work on the financial statements.

AUDIT COMMITTEE REPORT
continued

SIGNIFICANT ISSUE	HOW ADDRESSED
Accuracy of the portfolio valuation	Actively traded listed investments are valued using stock exchange prices provided by third party pricing vendors. On a monthly basis the depositary independently checks the valuation of the portfolio and would notify the Committee of any significant issues. No such issues arose in the year.
Income recognition	Revenue projections are monitored during the year to ensure income is complete and correctly accounted for, with emphasis on any special dividends and their classification as either revenue or capital.
The use of the going concern basis of accounting	The Directors' consideration of going concern is detailed on page 22. The Board currently has a reasonable expectation that the Company will continue in the long term, and therefore the accounts have been prepared on a going concern basis.

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

Consequently, and following a thorough review process of the 2017 annual financial report, the Audit Committee advised the Board that the report taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

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

Auditor

KPMG LLP was selected to be the Company's external auditor following a competitive tender exercise in 2016 and was appointed by shareholders on 4 August 2016. The Committee assessed the effectiveness of the external audit process through discussions with the Manager and the auditor and consideration of review points raised. A resolution to re-appoint KPMG LLP and for the Audit Committee to determine their remuneration will be put to shareholders at the forthcoming AGM.

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

The Committee evaluated the performance and effectiveness of the external auditor during the year to 30 April 2017. This included a review of the audit planning, execution and reporting, the quality of the audit work and the auditor's independence. All results were satisfactory.

It is the Company's policy not to seek substantial non-audit services from its auditor. No non-audit services were provided during the year. Prior to any engagement for non-audit services, the Audit Committee would consider whether the skills and experience of the auditor make them a suitable supplier of such services and ensure that there is no threat to objectivity and independence in the conduct of the audit as a result. Non-audit services up to £5,000 do not require the approval in advance of the Audit Committee; amounts in excess of this require the approval of the Audit Committee.

Internal Controls and Risk Management

Details of the Company's internal control and risk management, and the work undertaken by the Audit Committee with respect to them, are set out on pages 8 and 9.

Internal Audit

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

Committee Evaluation

The Committee's activities formed part of the review of Board effectiveness performed in the year. Details of this process can be found under 'Board, Committees and Directors' Performance Appraisal' on page 30.

James Robinson
Chairman of the Audit Committee

28 June 2017

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 30 APRIL 2017

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

The Company's auditor is required to audit certain of the disclosures provided in this report. Where disclosures have been audited, they are indicated as such in this report. The independent auditor's opinion is included on pages 40 to 42.

Remuneration Committee

All Directors are members of the Remuneration Committee under the Chairmanship of Carol Ferguson. Details of the Remuneration Committee, including responsibilities and terms of reference, are contained within the Corporate Governance section on page 30.

Directors' Remuneration Policy

The Directors' Remuneration Policy was last approved by shareholders at the AGM on 7 August 2014 and became effective on that date. It is a requirement that the policy be put to shareholders at least every three years. The Policy which follows is materially the same as that currently followed by the Board and summarised in the last Directors' Remuneration Report. This Policy is intended to take effect immediately upon its approval by shareholders.

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

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

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

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

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

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

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

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

Annual Statement on Directors' Remuneration

ANNUAL FEE RATES:	FEES FROM 1 MAY 2016 £
Chairman	32,500
Audit Committee Chairman	27,500
Other Directors	24,000

Directors' fees were last increased with effect from 1 May 2016. A review of Directors' fees is conducted annually by the Remuneration Committee. Following this year's review, the Committee concluded that the current level of remuneration remained appropriate. No external consultant was used (as explained on page 30).

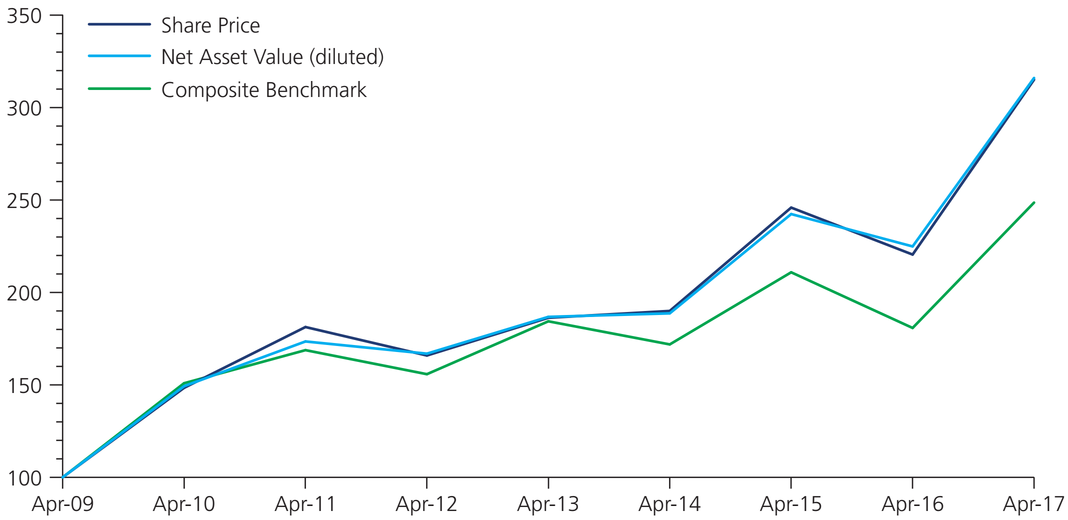
Fees paid to Directors for the year are shown below. No additional discretionary payments were made in the year, or in the previous year.

Report on Remuneration for the Year Ended 30 April 2017

The Company's Performance

The graph below plots, in annual increments, the net asset value total return and share price total return to ordinary shareholders compared to the total return of the composite benchmark (see definition of benchmark in the Glossary on page 65), which was adopted by the Company for comparison purposes.

Figures have been rebased to 100 at 30 April 2009.



Single Total Figure of Remuneration for the Year (Audited)

The single total figure of remuneration for each Director who served during the year is detailed below, together with the prior year comparative.

	2017 FEES £	2017 TAXABLE BENEFITS £	2017 TOTAL £	2016 FEES £	2016 TAXABLE BENEFITS £	2016 TOTAL £
Carol Ferguson (Chairman of the Board)	32,500	–	32,500	30,000	–	30,000
James Robinson (Chairman of the Audit Committee)	27,500	538	28,038	25,000	270	25,270
Tom Maier	24,000	258	24,258	22,000	372	22,372
Owen Jonathan	24,000	213	24,213	22,000	288	22,288
Fleur Meijs (appointed 7 December 2016)	9,500	–	9,500	–	–	–
	117,500	1,009	118,509	99,000	930	99,930

DIRECTORS' REMUNERATION REPORT

continued

Directors' Shareholdings and Share Interests (Audited)

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

	30 APRIL 2017	30 APRIL 2016
Carol Ferguson	90,000	60,000
James Robinson	12,000	12,000
Owen Jonathan	25,833	25,833
Tom Maier	8,080	8,080
Fleur Meijs	5,648	n/a

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

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

Relative Importance of Spend on Pay

The Company has no employees. The following table compares the remuneration paid to the non-executive Directors with aggregate distributions to shareholders in respect of the year to 30 April 2017 and the prior year:

	2017 £'000	2016 £'000	CHANGE £'000
Total Directors' remuneration	119	100	+19
Total shareholder distributions in respect of the accounting year	3,587	3,086	+501
Total costs of shares bought back	4,243	3,838	+405

Voting at Last Annual General Meeting

At the Annual General Meeting of the Company held on 4 August 2016, resolutions approving the Directors' Remuneration Policy and the Annual Statement and Report on Remuneration were passed. The votes cast (including votes cast at the Chairman's discretion) were as follows:

	VOTES FOR	VOTES AGAINST	WITHHELD
Annual Statement and Report on Remuneration	99.95%	0.01%	53,128

Approval

This Directors' Remuneration Report was approved by the Board of Directors on 28 June 2017.

Carol Ferguson
Chairman

Signed on behalf of the Board of Directors

DIRECTORS' RESPONSIBILITIES 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 UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

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

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

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

- the financial statements, prepared in accordance with UK Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit of the Company taken as a whole; 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.

The Directors consider that this annual financial report, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Carol Ferguson
Chairman

Signed on behalf of the Board of Directors

28 June 2017

Electronic Publication

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

INDEPENDENT AUDITOR'S REPORT
to the Members of Invesco Asia Trust plc only

KPMG

Opinions and conclusions arising from our audit

1. Our opinion on the financial statements is unmodified

We have audited the financial statements of Invesco Asia Trust plc for the year ended 30 April 2017 set out on pages 43 to 58. In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2017 and of its return for the year then ended;
- have been properly prepared in accordance with UK Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OVERVIEW	
Materiality: financial statements as a whole	£2.4m 1% of Total Assets.
Significant risk of material misstatement	Ownership and valuation of quoted investments

2. Our assessment of risks of material misstatement

In arriving at our audit opinion above on the financial statements, the risk of material misstatement that had the greatest effect on our audit was as follows:

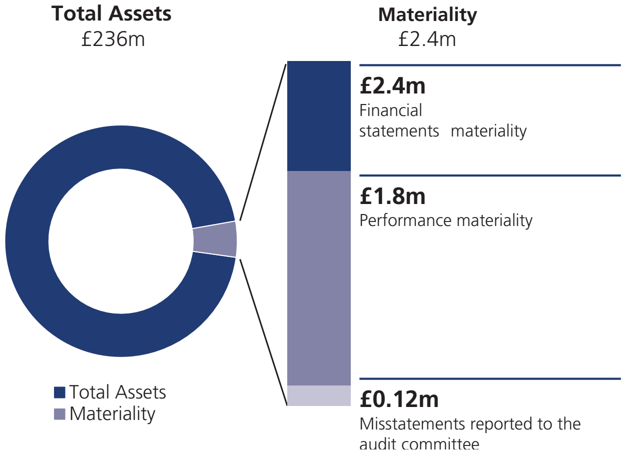
	THE RISK	OUR RESPONSE
Ownership and valuation of quoted investments (£236 million; 2016: £183 million) Refer to page 33 (Audit Committee Report), page 46 (accounting policy) and notes 9 and 16 (financial disclosures).	**Low risk, high value** The Company's portfolio of quoted investments makes up 97% of the Company's total assets (by value) and is considered to be one of the key driver of results. We do not consider these investments to be at a high risk of significant misstatement, or to be subject to a significant level of judgement because they comprise liquid, quoted investments. However, due to their materiality in the context of the financial statements as a whole, they are considered to be the area which had the greatest effect on our overall audit strategy and allocation of resources in planning and completing our audit.	Our procedures included: • **Control design:** Documenting and assessing the processes in place to record investment transactions and to value the portfolio; • **Tests of detail:** Agreeing the valuation of 100% of investments in the portfolio to externally quoted prices; and • **Enquiry of custodians:** Agreeing 100% of investment holdings in the portfolio to independently received third party confirmations from investment custodians.

3. Our application of materiality and an overview of the scope of our audit

Materiality for the financial statements as a whole was set at £2.4 million, determined with reference to a benchmark of total assets, of which, it represents 1%.

We report to the Audit Committee any corrected or uncorrected identified misstatements exceeding £0.12 million; and, in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Company was undertaken to the materiality level specified above and was performed at the Bank of New York Mellon Limited in London.



4. Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

In our opinion:

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

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic Report and the Directors' Report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

5. We have nothing to report on the disclosures of principal risks

Based on the knowledge we acquired during our audit, we have nothing material to add or draw attention to in relation to:

- the Directors' statement of longer-term viability on page 12, concerning the principal risks, their management, and, based on that, the Directors' assessment and expectations of the Company's continuing in operation over the three years to 30 April 2020; or
- the disclosures in note 1(a)(ii) of the financial statements concerning the use of the going concern basis of accounting.

6. We have nothing to report in respect of the matters on which we are required to report by exception

- Under ISAs (UK and Ireland) we are required to report to you if, based on the knowledge we acquired during our audit, we have identified other information in the annual financial report that contains a material inconsistency with either that knowledge or the financial statements, a material misstatement of fact, or that is otherwise misleading.
- In particular, we are required to report to you if:
  - we have identified material inconsistencies between the knowledge we acquired during our audit and the Directors' statement that they consider that the annual financial report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy; or
  - the Audit Committee Report does not appropriately address matters communicated by us to the Audit Committee.

INDEPENDENT AUDITOR'S REPORT

continued

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' statements, in relation to going concern set out on page 22, and longer-term viability set out on pages 11 and 12; and
- the part of the Corporate Governance Statement on pages 28 to 32 relating to the Company's compliance with the eleven provisions of the 2014 UK Corporate Governance Code specified for our review.

We have nothing to report in respect of the above responsibilities.

Scope and responsibilities

As explained more fully in the Directors' Responsibilities Statement set out on page 39, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate. This report is made solely to the Company's members as a body and is subject to important explanations and disclaimers regarding our responsibilities, published on our website at www.kpmg.com/uk/auditscopeukco2014a, which are incorporated into this report as if set out in full and should be read to provide an understanding of the purpose of this report, the work we have undertaken and the basis of our opinions.

Richard Hinton
Senior Statutory Auditor
for and on behalf of KPMG LLP
Statutory Auditor, Chartered Accountants,

15 Canada Square
Canary Wharf
London E14 5GL

28 June 2017

INCOME STATEMENT

FOR THE YEAR ENDED 30 APRIL

	NOTES	2017 REVENUE RETURN £'000	2017 CAPITAL RETURN £'000	2017 TOTAL RETURN £'000	2016 REVENUE RETURN £'000	2016 CAPITAL RETURN £'000	2016 TOTAL RETURN £'000
Gains/(losses) on investments at fair value	9	–	68,112	68,112	–	(16,739)	(16,739)
Losses on foreign currency revaluation		–	(539)	(539)	–	(234)	(234)
Income	2	5,464	–	5,464	4,256	–	4,256
Investment management fee	3	(420)	(1,261)	(1,681)	(325)	(975)	(1,300)
Other expenses	4	(529)	(3)	(532)	(503)	(5)	(508)
Net return before finance costs and taxation		4,515	66,309	70,824	3,428	(17,953)	(14,525)
Finance costs	5	(14)	(41)	(55)	(17)	(51)	(68)
Return on ordinary activities before taxation		4,501	66,268	70,769	3,411	(18,004)	(14,593)
Taxation on ordinary activities	6	(523)	–	(523)	(433)	–	(433)
Return on ordinary activities after taxation for the financial year		3,978	66,268	70,246	2,978	(18,004)	(15,026)
Return per ordinary share:							
Basic	7	4.74p	78.93p	83.67p	3.42p	(20.70p)	(17.28p)

The total column of this statement represents the Company's profit and loss account, prepared in accordance with UK Accounting Standards. The return on ordinary activities after taxation is the total comprehensive income and therefore no statement of comprehensive income is presented. The supplementary revenue and capital columns are presented for information purposes 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 No operations were acquired or discontinued in the year.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 30 APRIL

	SHARE CAPITAL £'000	CAPITAL REDEMPTION RESERVE £'000	SPECIAL RESERVE £'000	CAPITAL RESERVE £'000	REVENUE RESERVE £'000	TOTAL £'000
At 30 April 2015	9,092	4,032	93,803	89,352	5,888	202,167
Return on ordinary activities	–	–	–	(18,004)	2,978	(15,026)
Final dividend – note 8	–	–	–	–	(3,195)	(3,195)
Shares bought back and cancelled	(218)	218	(3,838)	–	–	(3,838)
At 30 April 2016	8,874	4,250	89,965	71,348	5,671	180,108
Return on ordinary activities	–	–	–	66,268	3,978	70,246
Final dividend – note 8	–	–	–	–	(3,086)	(3,086)
Shares bought back and cancelled	(123)	123	(2,375)	–	–	(2,375)
Shares bought back and held in treasury	–	–	(1,868)	–	–	(1,868)
At 30 April 2017	8,751	4,373	85,722	137,616	6,563	243,025

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

BALANCE SHEET
AT 30 APRIL

	NOTES	2017 £'000	2016 £'000
Fixed assets			
Investments at fair value through profit or loss	9	236,238	183,345
Current assets			
Debtors	10	1,407	378
Cash and cash equivalents		6,236	2,391
		7,643	2,769
Creditors: amounts falling due within one year	11	(856)	(6,006)
Net current assets/(liabilities)		6,787	(3,237)
Net assets		243,025	180,108
Capital and reserves			
Share capital	12	8,751	8,874
Other reserves:			
Capital redemption reserve	13	4,373	4,250
Special reserve	13	85,722	89,965
Capital reserve	13	137,616	71,348
Revenue reserve	13	6,563	5,671
Shareholders' funds		243,025	180,108
Net asset value per ordinary share			
– Basic	14	291.3p	210.7p

These financial statements were approved and authorised for issue by the Board of Directors on 28 June 2017.

Carol Ferguson
Chairman
Signed on behalf of the Board of Directors

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2017

1. Accounting Policies

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

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

(a) Basis of Preparation

(i) *Accounting Standards Applied*

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) and with the Statement of Recommended Practice *Financial Statements of Investment Trust Companies and Venture Capital Trusts*, issued by the Association of Investment Companies in November 2014, as amended in January 2017. The financial statements are issued on a going concern basis.

As an investment fund the Company has the option, which it has taken, not to present a cash flow statement. A cash flow statement is not required when an investment fund meets the following conditions:

- substantially all investments are highly liquid;
- substantially all investments are carried at market value, and
- a statement of changes in equity is provided (in these financial statements it is called the *Reconciliation of Movements in Shareholders' Funds*).

(ii) *Going Concern*

The financial statements have 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 is the currency of the Company's share capital and the predominant currency in which the Company's shares are traded.

(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

The Company has chosen to apply the provisions of Sections 11 and 12 of FRS 102 in full in respect of the financial instruments.

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

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

(ii) *Derecognition of financial assets*

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

NOTES TO THE FINANCIAL STATEMENTS
continued

1. Accounting Policies (continued)

(c) Financial instruments (continued)

(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.

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

Financial assets

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

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

Financial liabilities

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

(d) Cash and cash equivalents

Cash and cash equivalents may comprise short term deposits which are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value, including money market funds. Investments are regarded as cash equivalents if they meet all of the following criteria: highly liquid investments held in the Company's base currency that are readily convertible to a known amount of cash, are subject to an insignificant risk of change in value and provide a return no greater than the rate of a three-month high quality government bond.

(e) Income

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

(f) 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.

Investment transaction costs are recognised in capital in the income statement. All other expenses are allocated to revenue in the income statement.

(g) 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.

(h) Taxation

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

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

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

2. Income

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

	2017 £'000	2016 £'000
Income from investments		
Overseas dividends	4,868	3,709
Scrip dividends	107	218
UK dividends	293	259
Special dividends – overseas	194	70
Total dividend income	5,462	4,256
Other income:		
Interest	2	–
Total income	5,464	4,256

No special dividends have been recognised in capital during the year (2016: nil).

3. Investment Management Fee

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

	2017			2016		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Investment management fee	420	1,261	1,681	325	975	1,300

Details of the investment management and secretarial agreement are given on page 22 in the Directors' Report.

At 30 April 2017, £444,000 was due for payment in respect of the management fee (2016: £332,000).

NOTES TO THE FINANCIAL STATEMENTS

continued

4. Expenses

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

	2017			2016		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Directors' remuneration (i)	119	–	119	100	–	100
Auditor's fees (ii):						
– for audit of the financial statements	21	–	21	25	–	25
– for other services relating to taxation (iii)	–	–	–	10	–	10
Other expenses (iv)	389	3	392	368	5	373
	529	3	532	503	5	508

(i) Directors' fees authorised by the Articles of Association are £150,000 per annum. The Directors' Remuneration Report provides further information on Directors' remuneration for the year. Included within other expenses is £11,000 (2016: £9,000) of employer's national insurance contributions payable on Directors' remuneration. As at 30 April 2017, the amount outstanding on Directors' remuneration and employer's national insurance was £12,000 (2016: £9,000).

(ii) Auditor's fees are shown excluding VAT.

(iii) Other services relating to taxation are provided by Grant Thornton UK LLP who were the Company's auditor in 2016. Therefore for 2017 these charges are included in other expenses and comprise £7,000 (2016: £6,000) for tax compliance and £3,000 (2016: £4,000) for fees in respect of recovery of Taiwanese withholding tax.

(iv) Other expenses also includes 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 £87,000 (2016: £86,000) for these services. Custodian transaction charges of £3,000 (2016: £5,000) have been charged to capital.

5. Finance Costs

Finance costs arise on any borrowing the Company has which for this Company is a £20 million revolving credit facility (see more in note 11).

	2017			2016		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Overdraft interest	–	–	–	–	1	1
Interest on term loan	14	41	55	17	50	67
	14	41	55	17	51	68

6. Taxation

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

(a) Current tax charge

	2017			2016		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Overseas tax	523	–	523	433	–	433

The overseas tax charge consists of irrecoverable withholding tax.

(b) Reconciliation of current tax charge

	2017 £'000	2016 £'000
Return on ordinary activities before taxation	70,769	(14,593)
Theoretical tax at UK Corporation tax rate of 19.9% (2016: 20.0%)	14,097	(2,918)
Effects of:		
Non-taxable (gains)/losses on investments	(13,568)	3,348
Non-taxable losses on foreign currency revaluation	107	47
Non-taxable UK dividends	(58)	(52)
Non-taxable scrip dividends	(21)	(44)
Non-taxable overseas dividends	(999)	(756)
Effect of overseas tax	523	433
Expenses not allowed	1	1
Expenses in excess of taxable income	441	374
	523	433

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 £14,335,000 (2016: £12,120,000) that are available to offset future taxable revenue.

A deferred tax asset of £2,437,000 (2016: £2,182,000), measured at the prospective rate of corporation tax of 17% (2016: 18%), has not been recognised in respect of these expenses since they are recoverable only to the extent that the Company has sufficient future taxable revenue which they may be set against. This is considered unlikely.

7. Return per Ordinary Share

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

	2017 £'000	2016 £'000
Return per ordinary share is based on the following:		
Revenue return after taxation	3,978	2,978
Capital return after taxation	66,268	(18,004)
Total return after taxation	70,246	(15,026)

	2017	2016
Weighted average number of ordinary shares in issue during the year:		
– basic	83,959,135	86,972,224

NOTES TO THE FINANCIAL STATEMENTS

continued

8. Dividends on Ordinary Shares

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

Dividends paid:

	2017		2016	
	PENCE	£'000	PENCE	£'000
Final dividend in respect of previous year	3.65	3,086	3.65	3,195

Dividends proposed:

	2017		2016	
	PENCE	£'000	PENCE	£'000
Final dividend proposed	4.30	3,587	3.65	3,093

9. Investments at Fair Value

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

Gains and losses are either:

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

All investments are listed.

(a) Investments

	2017 £'000	2016 £'000
Opening valuation	183,345	202,176
Movements in the year:		
Purchases at cost	45,886	47,657
Sales – proceeds	(61,105)	(49,749)
– gains on sales	14,746	7,106
Movement in investment holding gains during the year	53,366	(23,845)
Closing valuation	236,238	183,345
Closing book cost	158,782	159,255
Closing investment holding gains	77,456	24,090
Closing valuation	236,238	183,345

(b) Gains/(losses) on investments

	2017 £'000	2016 £'000
Realised gains on sales	14,746	7,106
Movement in investment holding gains during the year	53,366	(23,845)
Gains/(losses) on investments	68,112	(16,739)

(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 the Company.

(d) Transaction costs

The total transaction costs of £308,000 (2016: £263,000) included in gains and losses on investments relate to £110,000 (2016: £106,000) on purchases and £198,000 (2016: £157,000) on sales.

10. Debtors

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

	2017 £'000	2016 £'000
Amounts due from brokers	917	74
Tax recoverable	167	142
VAT recoverable	15	20
Prepayments and accrued income	308	142
	1,407	378

11. Creditors: amounts falling due within one year

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

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

	2017 £'000	2016 £'000
Bank loan	–	5,504
Amounts due to brokers	240	–
Accruals	616	502
	856	6,006

The Company has an unsecured 364 day multi-currency revolving credit facility based on the lower of 25% of net asset value and £20 million, renewable on 5 August 2017. The facility covenant also requires total assets to not fall below £80 million. At the year end none was drawn down (2016: £5.5 million equivalent of US dollars at an interest rate of 1.2%). The Company also has an overdraft facility that is available for settlement purposes and is limited to 10% of net assets; this was unused at the year end (2016: nil).

NOTES TO THE FINANCIAL STATEMENTS
continued

12. Share Capital

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

(a) Allotted, called-up and fully paid

	2017 £'000	2016 £'000
Ordinary shares of 10p each	8,343	8,546
Treasury shares of 10p each	408	328
	8,751	8,874

The Directors' Report on page 24 sets out the share capital structure, restrictions and voting rights.

(b) Share movements

	2017		2016	
	ORDINARY NUMBER	TREASURY NUMBER	ORDINARY NUMBER	TREASURY NUMBER
Number at start of year	85,462,391	3,277,224	87,640,064	3,277,224
Shares bought back and cancelled	(1,225,493)	–	(2,177,673)	–
Shares bought back and held in treasury	(808,182)	808,182	–	–
	83,428,716	4,085,406	85,462,391	3,277,224

The total cost of shares bought back in the year was £4,243,000 (2016: £3,838,000) and the average price (excluding costs) was 207.18p (2016: 175.00p).

Since the year end no ordinary shares have been bought back.

(c) Winding-up provisions

The Directors are obliged to convene an Extraordinary General Meeting ('EGM') to consider a special resolution to wind up the Company every third year from the date of the AGM at which the Directors were released from such obligation. At the AGM in 2016 the Directors were released from their obligation to convene an EGM and a resolution to release the Directors from their obligation to convene an EGM will be put to shareholders at the AGM in 2019.

13. Reserves

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

The capital redemption reserve maintains the equity share capital arising from the buy-back and cancellation of shares and is non-distributable. The special reserve arose from the cancellation of the share premium account and is available as a distributable reserve to fund any future tender offers and share buy backs.

Capital investment gains and losses, both unrealised and realised, are shown in note 9(a) and form part of the capital reserve. The revenue reserve shows the net revenue retained after payment of any dividends. The capital and revenue reserves are distributable by way of dividend.

14. Net Asset Value

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

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

	2017	2016
Basic:		
Ordinary shareholders' funds	£243,025,000	£180,108,000
Number of ordinary shares in issue, excluding treasury shares	83,428,716	85,462,391
Net asset value per ordinary share	291.3p	210.7p

There is no dilution in this or the previous year.

15. Financial Instruments

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

Risk Management Policies and Procedures

The Company's portfolio is managed in accordance with its investment objective, which is set out in the Strategic Report on page 6. The Strategic Report then proceeds to set out the Manager's investment process and the Company's internal control and risk management systems as well as the Company's principal risks and uncertainties. Risk management is an integral part of the investment management process and this note expands on certain of those risks in relation to the Company's financial instruments, including market risk.

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

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

15.1 Market Risk

Market risk arises from changes in the fair value or future cash flows of a financial instrument because of movements in market prices. Market risk comprises three types of risk: currency risk (15.1.1), interest rate risk (15.1.2) and other price risk (15.1.3).

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 30. Borrowing is used to enhance returns, however, this will also increase the Company's exposure to market risk and volatility.

15.1.1 Currency Risk

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

Management of the Currency Risk

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

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

NOTES TO THE FINANCIAL STATEMENTS
continued

15. Financial Instruments (continued)

Risk Management Policies and Procedures (continued)

15.1 Market Risk (continued)

15.1.1 Currency Risk (continued)

Foreign 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 investments (which are not monetary items) are priced in a foreign currency they have been included separately in the analysis so as to show the overall level of exposure.

YEAR ENDED 30 APRIL 2017

CURRENCY	DEBTORS (DUE FROM BROKERS AND DIVIDENDS) £'000	CASH AND CASH EQUIVALENTS £'000	OVERDRAFTS AND LOANS £'000	CREDITORS (DUE TO BROKERS AND ACCRUALS) £'000	FOREIGN CURRENCY EXPOSURE ON NET MONETARY ITEMS £'000	INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS £'000	TOTAL NET FOREIGN CURRENCY EXPOSURE £'000
Australian dollar	–	–	–	–	–	3,180	3,180
Hong Kong dollar	–	–	–	–	–	64,705	64,705
Indian rupee	488	473	–	(240)	721	37,441	38,162
Indonesian rupiah	–	–	–	–	–	7,065	7,065
Japanese yen	–	–	–	–	–	2,418	2,418
Philippine peso	–	–	–	–	–	3,027	3,027
Singapore dollar	78	–	–	–	78	4,845	4,923
South Korean won	211	–	–	–	211	50,029	50,240
Taiwan dollar	167	25	–	–	192	35,720	35,912
US dollar	428	5,738	–	–	6,166	27,808	33,974
	1,372	6,236	–	(240)	7,368	236,238	243,606

YEAR ENDED 30 APRIL 2016

CURRENCY	DEBTORS (DUE FROM BROKERS AND DIVIDENDS) £'000	CASH AND CASH EQUIVALENTS £'000	OVERDRAFTS AND LOANS £'000	CREDITORS (DUE TO BROKERS AND ACCRUALS) £'000	FOREIGN CURRENCY EXPOSURE ON NET MONETARY ITEMS £'000	INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS £'000	TOTAL NET FOREIGN CURRENCY EXPOSURE £'000
Australian dollar	–	–	–	–	–	7,441	7,441
Hong Kong dollar	20	–	–	–	20	58,155	58,175
Indian rupee	–	–	–	–	–	23,820	23,820
Indonesian rupiah	74	1	–	–	75	5,975	6,050
Philippine peso	–	–	–	–	–	3,411	3,411
Singapore dollar	65	–	–	–	65	4,062	4,127
South Korean won	–	–	–	–	–	33,267	33,267
Taiwan dollar	142	–	–	–	142	21,829	21,971
US dollar	28	2,370	(5,504)	–	(3,106)	25,385	22,279
	329	2,371	(5,504)	–	(2,804)	183,345	180,541

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

Foreign Currency Sensitivity

The following table illustrates the sensitivity of the returns after taxation for the year with respect to the Company's financial assets and liabilities.

If sterling had strengthened by the amounts shown in the second table below, the effect on the assets and liabilities held in non-sterling currency would have been as follows:

	2017			2016		
	REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL LOSS AFTER TAX £'000	REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL LOSS AFTER TAX £'000
Australian dollar	(7)	(213)	(220)	(8)	(350)	(358)
Hong Kong dollar	(116)	(3,688)	(3,804)	(50)	(2,094)	(2,144)
Indian rupee	(15)	(2,252)	(2,267)	(7)	(548)	(555)
Indonesian rupiah	(11)	(424)	(435)	(3)	(303)	(306)
Japanese yen	–	(145)	(145)	–	–	–
Philippine peso	(3)	(112)	(115)	(2)	(102)	(104)
Singapore dollar	(7)	(218)	(225)	(6)	(158)	(164)
South Korean won	(22)	(1,151)	(1,173)	(25)	(1,098)	(1,123)
Taiwan dollar	(84)	(2,574)	(2,658)	(22)	(611)	(633)
US dollar	(9)	(1,938)	(1,947)	(9)	(822)	(831)
	(274)	(12,715)	(12,989)	(132)	(6,086)	(6,218)

If sterling had weakened by the same amounts, the effect would have been the converse.

The following movements in the assumed exchange rates are used in the above sensitivity analysis:

	2017 %	2016 %
£/Australian dollar	+/–6.7	+/–4.7
£/Hong Kong dollar	+/–5.7	+/–3.6
£/Indian rupee	+/–5.9	+/–2.3
£/Indonesian rupiah	+/–6.0	+/–5.0
£/Japanese yen	+/–6.0	–
£/Philippine peso	+/–3.7	+/–3.0
£/Singapore dollar	+/–4.5	+/–3.9
£/South Korean won	+/–2.3	+/–3.3
£/Taiwan dollar	+/–7.2	+/–2.8
£/US dollar	+/–5.7	+/–3.7

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

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.

15.1.2 Interest Rate Risk

The Company is exposed to interest rate risk through income receivable on cash deposits and interest payable on variable rate borrowings. When the Company has cash balances, they are held in variable rate bank accounts yielding rates of interest dependent on the base rate of the custodian, Bank of New York Mellon (London Branch).

NOTES TO THE FINANCIAL STATEMENTS

continued

15. Financial Instruments (continued)

Risk Management Policies and Procedures (continued)

15.1 Market Risk (continued)

15.1.2 Interest Rate Risk (continued)

The Company has a credit facility (the 'facility') for which details and year end drawn down amounts are shown in note 11. The Company uses the facility when required at levels approved and monitored by the Board. At the maximum possible gearing of £20 million, the effect of a 1% increase/decrease in the interest rate would result in a decrease/increase to the Company's total income of £200,000. At the year end no loan amounts were drawn down (2016: £5,504,000).

The Company also has an uncommitted bank overdraft facility of 10% of assets held by the custodian which it uses for settlement purposes. At the year end there was no overdrawn amount (2016: £nil). Interest on the bank overdraft is payable at the custodian's variable rate.

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

15.1.3 Other Price Risk

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

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

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

If the value of the portfolio rose or fell by 10% at the balance sheet date, the profit after tax for the year would increase or decrease by £23.6 million (2016: £18.3 million) respectively.

15.2 Liquidity Risk

This is the risk that the Company may encounter difficulty in meeting its obligations associated with financial liabilities i.e. when realising assets or raising finance to meet financial commitments.

A lack of liquidity in the portfolio may make it difficult for the Company to realise assets at or near their purported value in the event of a forced sale. This is minimised as the majority of the Company's investments comprise a diversified portfolio of readily realisable securities which can be sold to meet funding commitments as necessary, and the loan and overdraft facilities provide for additional funding flexibility. The financial liabilities of the Company at the balance sheet date are shown in note 11.

15.3 Credit Risk

Credit risk comprises the potential failure by counterparties to deliver securities which the Company has paid for, or to pay for securities which the Company has delivered; it includes, but is not limited to: lost principal and interest, disruption to cash flows or the failure to pay interest.

Credit risk is minimised by using:

(a) only approved counterparties, covering both brokers and deposit takers;

(b) a custodian that operates under BASEL II guidelines. The Board reviews the custodian's annual independent controls assurance report and the Manager's management of the relationship with the custodian. Following the appointment of a depositary, assets and cash held at the custodian are covered by the depositary's restitution obligation, accordingly the risk of loss is remote; and

(c) the Short Term Investment Companies (Global Series) plc ('STIC') money market fund, which is rated AAAm by Standard & Poor's and AAAmmf by Fitch.

In addition, cash balances are limited to a maximum of 2.5% of net assets with any one deposit taker and a maximum of 6% of net assets in STIC. These limits are at the discretion of the Board and are reviewed on a regular basis. As at the year end, the sterling equivalent of £2,394,000 (2016: £2,391,000) was held at the custodian and £3,842,000 (2016: nil) was held in STIC.

16. Fair Values of Financial Assets and Financial Liabilities

'Fair value' in accounting terms is the amount at which an asset can be bought or sold in a transaction between willing parties, i.e. a market-based, independent measure of value. This note sets out the fair value hierarchy comprising three 'levels' and the aggregate amount of the portfolio in each level.

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.

FRS 102 as amended for fair value hierarchy disclosures (March 2016) sets out three fair value levels. The investments held by the Company at the year end are shown on pages 17 and 18. All investments, for both this and the previous year, were deemed to be Level 1 because fair values for all were based on quoted prices in active markets for identical assets. No investments were held in either Levels 2 or 3.

Categorisation into a level 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.

17. Capital Management

This note is designed to set out the Company's objectives, policies and processes for managing its capital. This capital being funded by monies invested in the Company by shareholders (both initial investment and retained amount) and any borrowings by the Company.

The Company's total capital employed at the balance sheet date was £243,025,000 (2016: £185,612,000) comprising borrowings of £nil (2016: £5,504,000) and equity share capital and other reserves of £243,025,000 (2016: £180,108,000).

The Company's total capital employed is managed to achieve the Company's investment objective and investment policy as set out on page 6. Borrowings may be used to provide gearing up to the lower of £20 million or 25% of net asset value. The Company's policies and processes for managing capital were unchanged throughout the year and the preceding year.

The main risks to the Company's investments are shown in the Directors' Report under the 'Principal Risks and Uncertainties' section on pages 10 and 11. These also explain that the Company is able to gear and that gearing will amplify the effect on equity of changes in the value of the portfolio.

The Board can also manage the capital structure directly since it has taken the powers, which it is seeking to renew, to issue and buy-back shares and it also determines dividend payments.

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

18. Contingencies, Guarantees and Financial Commitments

Any liabilities the Company is committed to honour, and which are dependent on future circumstances or events occurring, would be disclosed in this note if any existed.

There were no contingencies, guarantees or financial commitments of the Company at the year end (2016: £nil).

NOTES TO THE FINANCIAL STATEMENTS

continued

19. Related Party Transactions and Transactions with the Manager

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

Under UK GAAP, the Company has identified the Directors as related parties. The Directors' remuneration and interests have been disclosed on pages 36 to 38 with additional disclosure in note 4. No other related parties have been identified.

Details of the Manager's services and fees are disclosed in the Director's Report on page 22 and note 3.

20. Post Balance Sheet Events

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

Except for the 15% tender offer announced, there are no other significant events after the end of the reporting year requiring disclosure.

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Invesco Asia Trust plc will be held at 43-45 Portman Square, London W1H 6LY, on 10 August 2017 at 12 noon for the following purposes:

Ordinary Business

To consider and, if thought fit, to pass the following resolutions all of which will be proposed as ordinary resolutions:

1. To receive and consider the Annual Financial Report for the year ended 30 April 2017.
2. To declare a final dividend as recommended.
3. To approve the Directors' Remuneration Policy.
4. To approve the Annual Statement and Report on Remuneration for the year ended 30 April 2017.
5. To re-elect Carol Ferguson as a Director of the Company.
6. To elect Fleur Meijs as a Director of the Company.
7. To re-appoint KPMG LLP as auditor of the Company.
8. To authorise the Audit Committee to determine the remuneration of the auditor.

Special Business

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

9. THAT:

   in substitution for any existing authority under section 551 of the Companies Act 2006 (the 'Act') but without prejudice to the exercise of any such authority prior to the date of this resolution the Directors of the Company be generally and unconditionally authorised in accordance with section 551 of the Act as amended from time to time prior to the date of the passing of this resolution, to exercise all powers of the Company to allot shares and grant rights to subscribe for, or convert any securities into, shares up to an aggregate nominal amount (within the meaning of sections 551(3) and (6) of the Act) of £875,141, this being 10% of the Company's issued ordinary share capital as at 28 June 2017, such authority to expire at the conclusion of the next Annual General Meeting of the Company or the date fifteen months after the passing of this resolution, whichever is the earlier unless the authority is renewed or revoked at any other general meeting prior to such time, but so that this authority shall allow the Company to make offers or agreements before the expiry of this authority which would or might require shares to be allotted, or rights to be granted, after such expiry as if the authority conferred by this resolution had not expired.

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

10. THAT:

    subject to the passing of resolution number 9 set out in the notice of this meeting (the 'Section 551 Resolution') and in substitution for any existing authority under sections 570 and 573 of the Companies Act 2006 (the 'Act') but without prejudice to the exercise of any such authority prior to the date of this resolution, the Directors be and are hereby empowered, in accordance with sections 570 and 573 of the Act as amended from time to time prior to the date of the passing of this resolution to allot equity securities (within the meaning of section 560(1), (2) and (3) of the Act) for cash, either pursuant to the authority given by the Section 551 Resolution or (if such allotment constitutes the sale of relevant shares which, immediately before the sale, were held by the Company as treasury shares) otherwise, as if section 561 of the Act did not apply to any such allotment, provided that this power shall be limited:

NOTICE OF ANNUAL GENERAL MEETING

continued

(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, regulatory or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in any territory or otherwise); and

(b) to the allotment (otherwise than pursuant to a rights issue) of equity securities up to an aggregate nominal amount of £437,570, this being 5% of the Company's issued share capital as at 28 June 2017

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

11. THAT:

the Company be generally and subject as hereinafter appears unconditionally authorised in accordance with Section 701 of the Companies Act 2006 as amended from time to time prior to the date of the passing of this resolution (the 'Act') to make market purchases (within the meaning of Section 693(4) of the Act) of its issued ordinary shares of 10p each in the capital of the Company ('Shares').

PROVIDED ALWAYS THAT:

(i) the maximum number of Shares hereby authorised to be purchased shall be 13,118,366 or 14.99% of shares in issue as at 28 June 2017;

(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 must not be more than the higher of: (i) 5 per cent. above the average of the mid-market values of the Shares for the five business days before the purchase is made; or (ii) that stipulated by the regulatory technical standards adopted by the EU pursuant to the Market Abuse Regulation from time to time;

(iv) any purchase of Shares will be made in the market for cash at prices below the prevailing net asset value per Share (as determined by the Directors);

(v) the authority hereby conferred shall expire at the conclusion of the next Annual General Meeting of the Company, or the date fifteen months after the passing of this resolution, whichever is the earlier, unless the authority is renewed or revoked at any other general meeting prior to such time;

(vi) the Company may make a contract to purchase Shares under the authority hereby conferred prior to the expiry of such authority which will be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract; and

(vii) any shares so purchased shall be cancelled or, if the Directors so determine and subject to the provisions of Sections 724 to 731 of the Act 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 Act) as treasury shares.

12. THAT:

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

Dated this 28th June 2017

By order of the Board

Invesco Asset Management Limited
Company Secretary

Notes:

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

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

   To be effective, the form of appointment of proxy, duly completed and executed, together with any power of attorney or other authority under which it is signed (or notarially certified copy thereof) must be lodged at the office of the Company's registrars, Capita Asset Services, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF, by not later than 12 noon on 8 August 2017.
4. A person entered on the Register of Members at the close of business on 8 August 2017 ('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, Schedule of Matters Reserved for the Board, and the terms of reference of the Audit Committee, the Management Engagement Committee, the Nomination Committee and the Remuneration Committee will be available for inspection at the AGM.
6. A copy of the Company's Articles of Association is available for inspection at the registered office of the Company during normal business hours until the close of the AGM and will also be available at the AGM for at least 15 minutes prior to and during the meeting.
7. Any person to whom this notice is sent who is a person nominated under Section 146 of the Companies Act 2006 to enjoy information rights (a '**Nominated Person**') may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

NOTICE OF ANNUAL GENERAL MEETING

continued

The statement of the above rights of the members in relation to the appointment of proxies does not apply to Nominated Persons. Those rights can only be exercised by shareholders of the Company.

8. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.

9. Any member attending the AGM has the right to ask questions under section 319A of the Companies Act 2006. The Company must cause to be answered any such question relating to the business being dealt with at the AGM but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the AGM or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the AGM that the question be answered.

10. You may not use any electronic address (within the meaning of Section 333(4) of the Companies Act 2006) provided in this Notice (or in any related documents including the proxy form) to communicate with the Company for any purposes other than those expressly stated.

11. As at 28 June 2017 (being the last practicable day prior to the publication of this Notice) the Company's issued share capital consisted of 87,514,122 ordinary 10p shares each carrying one vote and a further 4,085,406 ordinary 10p shares held in treasury which do not carry votes.

12. A copy of this notice (which is at the back of the annual financial report), and other information required by Section 311A of the Companies Act 2006, can be found at *www.invescoperpetual.co.uk/invescoasia*.

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 '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 auditor's report and the conduct of the audit) that are to be laid before the AGM; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual financial reports were laid in accordance with Section 437 of the Act (in each case) that the members propose to raise at the relevant AGM. The Company may not require the members requesting any such website publication to pay its expenses in complying with Sections 527 or 528 of the Act. Where the Company is required to place a statement on a website under Section 527 of the 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 AGM includes any statement that the Company has been required under Section 527 of the Act to publish on a website.

SHAREHOLDER INFORMATION

Background

Invesco Asia Trust plc (the 'Company') began trading on 11 July 1995, and is a successor company to the Drayton Far East Investment Trust plc.

The shares of the Company are quoted on the London Stock Exchange.

Share Price Listings

The price of your shares can be found in the Financial Times, The Times and the Daily Telegraph. In addition, share price information can be found using the IAT ticker code and on the Company's section of the Manager's website of www.invescoperpetual.co.uk/invescoasia.

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 above. It can also be found on the Company's section of the Manager's website, www.invescoperpetual.co.uk/invescoasia.

Manager's Website

Information relating to the Company can be found on the Company's section of the Manager's website which is located at www.invescoperpetual.co.uk/invescoasia.

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

Financial Calendar

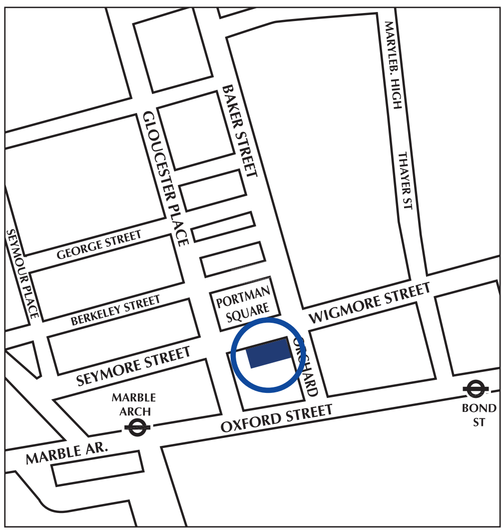
In addition, the Company publishes information according to the following calendar:

Announcements	
Half-yearly unaudited results	December
Annual financial results	June/July
Ordinary Share Dividend	
Payable	August
Annual General Meeting	August
Year end	30 April

Location and Date of Annual General Meeting (AGM)

The AGM will be held at 12 noon on 10 August 2017 in Invesco Perpetual's offices on the first floor of 43-45 Portman Square, London W1H 6LY

Following the AGM light refreshments will be served.



ADVISERS AND PRINCIPAL SERVICE PROVIDERS

All of the following were in place throughout the year

Manager and Alternative Investment Fund Manager

Invesco Fund Managers Limited

Company Secretary

Invesco Asset Management Limited

Company secretarial contacts: Nira Mistry and Kelly Nice

Correspondence Address:

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

Registered Office

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

Company Number

Registered in England and Wales
Number 3011768

Invesco Perpetual Client Services

Invesco Perpetual has a Client Services Team, available from 8.30am to 6pm, Monday to Friday (excluding bank holidays). Current valuations, statements and literature can be ordered, however, no investment advice can be given.
☎ 0800 085 8677
www.invescoperpetual.co.uk/investmenttrusts

Registrar

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

If you hold your shares directly, have a query relating to your shareholding and hold your shares in your own name, you should contact the registrar on ☎ 0871 664 0300.
Calls cost 12p per minute plus your phone company's access charge.

From outside the UK: +44 371 664 0300. Calls from outside the United Kingdom will be charged at the applicable International rate. Lines are open 9am to 5.30pm, Monday to Friday (excluding bank holidays).

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

The registrar provides an online and telephone share dealing service to existing shareholders who are not seeking advice on buying or selling. This service is available at www.capitadeal.com or ☎ 0371 664 0445.
Calls cost 12p per minute plus your phone company's access charge.

From outside the UK: +44 371 664 0300. Calls from outside the United Kingdom will be charged at the applicable International rate. Lines are open from 8am to 4.30pm, Monday to Friday (excluding bank holidays).

Independent Auditor

KPMG LLP
15 Canada Square
Canary Wharf
London E14 5GL

Depositary

BNY Mellon Trust & Depositary (UK) Limited
BNY Mellon Centre
160 Queen Victoria Street
London EC4V 4LA

Banker and Custodian

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

Corporate Broker

Investec Bank plc
2 Gresham Street
London EC2V 7QP

The Association of Investment Companies

The Company is a member of the Association of Investment Companies.
Contact details are as follows:
☎ 020 7282 5555.
Email: enquires@theaic.co.uk
Website: www.theaic.co.uk

GLOSSARY OF TERMS

Benchmark (or Benchmark Index)

The Company measures its performance against the benchmark. From 1 May 2015, the benchmark is the MSCI AC Asia ex Japan Index. This benchmark index does not include New Zealand and Australia. Prior to this, the benchmark was the MSCI All Countries Asia Pacific ex Japan Index. Both indices are total return, in sterling terms. A composite benchmark of these two indices is used whenever the period used spans the change date of 1 May 2015.

Discount

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

Gearing

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

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

Gross Gearing

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

Net Gearing

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

Leverage

Leverage, for the purposes of the Alternative Investment Fund Managers Directive (AIFMD), is not synonymous with gearing as defined above. In addition to borrowings, it encompasses anything that increases the Company's exposure, including foreign currency and exposure gained through derivatives. Leverage expresses the Company's exposure as a ratio of the Company's net asset value. Two methods of calculating such exposure are set out in the AIFMD, gross and commitment. Under the gross method, exposure represents the aggregate of all the Company's exposures other than cash balances held in base currency and without any offsetting. The commitment method takes into account hedging and other netting arrangements designed to limit risk, offsetting them against the underlying exposure. Leverage of 100% indicates that a company has no exposure in excess of the NAV.

Market Capitalisation

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

Net Asset Value (NAV)

Basic Net Asset Value

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

Diluted Net Asset Value

From 31 August 2012 the Company had no subscription shares in issue, and accordingly no dilution to the NAV arises. Whilst the subscription shares were in issue, the diluted NAV was the NAV per share that would arise if the subscription shares were converted, calculated by dividing the net assets by the number of shares that would be in issue if all the subscriptions shares were converted to ordinary shares. If the diluted NAV per ordinary share was greater than the basic NAV per ordinary share then there was no dilutive effect.

GLOSSARY OF TERMS
continued

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

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

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

ALTERNATIVE INVESTMENT FUND MANAGERS DIRECTIVE DISCLOSURE

Alternative Investment Fund Manager (AIFM) and the Alternative Investment Fund Managers Directive (the 'AIFMD', the Directive)

The Company falls within the definition of an Alternative Investment Fund (AIF) under the Directive and, as such, is required to have (or be) an authorised AIFM. Invesco Fund Managers Limited (IFML) was authorised as an AIFM, and appointed by the Company as such, effective from 22 July 2014.

Amongst other things, regulations implementing AIFMD require certain information to be provided to prospective investors. This information can be found in the Company's section of the Manager's website (www.invescoperpetual.co.uk/invescoasia) in a downloadable document entitled 'AIFMD Investor Information'. There have been no material changes to this information in the year to 30 April 2017 or up to the date of this report. Any information requiring immediate disclosure pursuant to the Directive will be disclosed through a primary information provider.

In addition, the Directive requires information in relation to the remuneration of the Company's AIFM, IFML, and the Company's leverage (both 'gross' and 'commitment' – see Glossary on page 65) to be made available to investors.

Accordingly:

– the leverage calculated for the Company at its year end was 99.0% for both gross and commitment (2016: 101.9%). The limits the AIFM has set for the Company remain unchanged at 250% and 200%, respectively;

– the AIFM remuneration policy is available from the Company's company secretary, on request (see contact details on page 64); and

– the AIFM remuneration paid for the year to 31 December 2016 is set out below.

AIFM Remuneration

The AIFM remuneration paid is based on the latest financial year of the AIFM, which was to 31 December 2016.

IFML does not employ any staff directly. All staff involved in the AIF related activities of IFML are employed and paid by Invesco UK Limited or other entities in the Invesco Limited Group. Remuneration for staff involved in AIF related activities has been apportioned based on the average assets under management of £3,632 million for the nine AIFs managed by IFML during the reporting period.

The aggregate total remuneration apportioned to IFML's AIF related activities for performance year 2016 is £6,631,628, of which £3,852,051 is fixed remuneration and £2,779,577 is variable remuneration. The number of beneficiaries is 35.

IFML has identified individuals considered to have a material impact on the risk profile of IFML or the AIFs it manages ('AIFMD Code Staff'), including Board members of IFML, senior management, heads of control functions and other risk takers whose professional activities can exert material influence on IFML's risk profile or on an AIF it manages.

The aggregate total remuneration paid to the AIFMD Code Staff of IFML for AIF related activities is £988,243 of which £435,714 is paid to senior management and £552,529 is paid to other AIFMD Code Staff. The total remuneration for AIFMD Code Staff excludes remuneration for staff employed by delegates.

Invesco Perpetual

The Manager of Invesco Asia Trust plc is Invesco Fund Managers Limited.

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

Invesco is one of the largest independent global investment management firms, with funds under management in excess of $859 billion.*

Invesco aims 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 2017.*

INVESTMENT COMPANIES MANAGED BY INVESCO PERPETUAL

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

City Merchants High Yield Trust Limited

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

Invesco Income Growth Trust plc

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

Invesco Perpetual Enhanced Income Limited

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

Invesco Perpetual Select Trust plc – Managed Liquidity Portfolio

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

Invesco Perpetual Select Trust plc – UK Equity Portfolio

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

Keystone Investment Trust plc

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

Perpetual Income and Growth Investment Trust plc

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

The Edinburgh Investment Trust plc

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

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

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

Investing in Smaller Companies

Invesco Perpetual UK Smaller Companies Investment Trust plc

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

Investing Internationally

Invesco Asia Trust plc

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

Invesco Perpetual Select Trust plc – Global Equity Income Portfolio

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

Investing for Total Returns

Invesco Perpetual Select Trust plc – Balanced Risk Portfolio

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

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

Investing in Multiple Asset Classes

Invesco Perpetual Select Trust plc

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

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

Please contact Invesco Perpetual's Client 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.

Linkway Financial Printers
Typeset & Printed in London (UK) 16795