
Invesco Asia Trust plc

ANNUAL FINANCIAL REPORT

YEAR ENDED 30 APRIL 2008

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

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

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Investment Objective

Invesco Asia Trust plc ('the Company') is a UK investment trust listed on the London Stock Exchange. The Company was launched in July 1995.

The objective of Invesco Asia Trust plc is to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian companies. The Company aims to achieve growth in its net asset value in excess of the Morgan Stanley Capital International All Countries Asia Pacific ex Japan Index, measured in sterling.

Investment Policy

The Company invests primarily in the equity securities of companies listed in the stockmarkets of China, Hong Kong, India, Malaysia, Singapore, South Korea, Taiwan, Thailand and Australasia. It may also invest in unquoted securities to a maximum amount of 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.

In managing investments in Asia, the process of country allocation is separated from that of stock selection. Country allocation begins with an analysis of prospects for long-term interest rates, based on a comparison of inflationary pressures and bond yields, followed by an analysis of the relative valuations of stocks and bonds in relation to historic norms and an analysis of the prospects for earnings growth. Stocks are screened to identify companies which appear underpriced in terms of their past earnings records and to assess the likelihood of the continuation of previous patterns.

Qualitative risk measurement techniques are used to analyse, optimise and monitor the portfolio once favoured investments have been chosen.

Share Capital

The Company's issued share capital consists of 93,837,425 ordinary shares of 10p each.

Life of the Company

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

The next time the Board will ask to be released from the obligation to wind up the Company, will be at the Annual General Meeting in 2010.

ISA Eligibility

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

Glossary of Terms

There is a glossary of terms on page 62 which defines some of the technical references used in the report.

The Company is a
member of

aic

The Association of
Investment Companies

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

Performance Statistics

Terms marked † are defined in the Glossary of Terms on page 62.

	AT 30 APRIL 2008	AT 30 APRIL 2007	% CHANGE
Net assets (£'000)	118,862	116,146	+2.3
Actual gearing [†]	102	107	
Asset gearing [†]	101	106	
Net asset value [†] ("NAV") per ordinary share:			
– per Balance Sheet	126.7p	109.6p	+15.6
– after charging proposed final dividend (capital NAV)	125.2p	108.3p	+15.6
Net asset value (total return) ^①			+16.3
Mid-market price per ordinary share	112.8p	97.8p	+15.3
Discount [†] per ordinary share on capital NAV	9.9%	9.7%	
Benchmark Index ^①			
– capital return	247.9	214.3	+15.7
– total return	455.6	382.5	+19.1
^① Source: Thomson Financial Datastream.			
Revenue			
Gross income (£'000)	3,247	2,816	+15.3
Net revenue available for ordinary shares (£'000)	1,762	1,434	+22.9
Dividend per share	1.5p	1.3p	+15.4
Total expense ratio [†]	1.3%	1.2%	
Return per Ordinary Share			
Revenue return	1.8p	1.3p	
Capital return	16.2p	8.3p	
Total return	18.0p	9.6p	

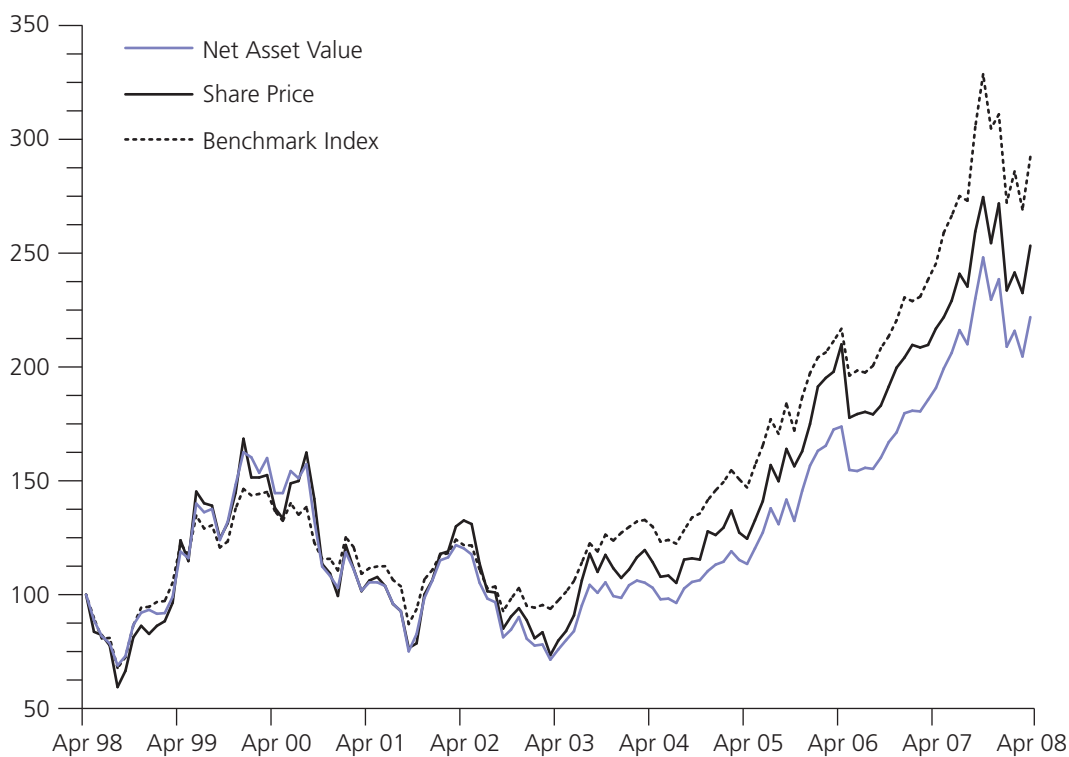
Ten Year Historical Record

Year to 30 April	Gross income £'000	Net revenue available for ordinary shares £'000	Dividends on ordinary shares		Net assets £'000	Net asset value per ordinary share p	Mid-market price per ordinary share p
			Rate p	Cost £'000			
1999	2,187	1,225	0.94	1,057	81,911	72.8	61.0
2000	1,390	392	0.65	695	97,054	87.5	67.0
2001	1,216	338	0.30	318	67,010	63.2	51.0
2002	1,245	524	0.40	424	76,109	71.8	63.3
2003	1,335	573	0.40	424	47,686	45.0	37.8
2004	1,381	591	0.50	530	64,530	60.4	53.5
2005	2,033	993	0.90	954	70,848	66.9	57.8
2006	2,593	1,307	1.20	1,272	107,209	101.2	96.0
2007	2,816	1,434	1.30	1,378	116,146	109.6	97.8
2008	3,247	1,762	1.50	1,408	118,862	126.7	112.8

The dividend for 1999 comprised a final of 0.65p and a special of 0.29p.

Ten Year Net Asset Value Performance (Total Return)

All figures rebased to 100 at 30 April 1998.



Source: Thomson Financial Datastream

CHAIRMAN'S STATEMENT

Performance and Prospects

The Company's performance for the 12 months to 30 April 2008 reflects a more volatile period for Asia, and for equities. With Asia having outperformed for much of 2007, a rise in risk-aversion levels towards the end of the period caused a retreat in a number of Asian stockmarkets. Dominating the headlines has been the credit crisis, which resulted from the collapse of the US subprime-mortgage market. Despite Asian banks having limited exposure to these subprime loans, Asia suffered in line with global equities, with markets which had outperformed strongly being the worst affected. This has led to a more muted performance for the Company for the year as a whole, but, encouragingly, still strongly in positive territory. Over the period, the net asset value per ordinary share increased from 108.3p to 125.2p, a rise of 15.6% on a capital basis, compared to the benchmark index, the MSCI All Countries Asia Pacific ex Japan Index adjusted for sterling, which rose by 15.7%. However, on a total return basis the NAV rose 16.3% compared to a 19.1% increase in the benchmark index. The Company's share price rose from 97.8p to 112.8p, while the discount to net asset value at which the shares trade was relatively unchanged at 9.9% (up from 9.7%).

Dividend

The Board is pleased to recommend a final dividend of 1.5p per ordinary share (2007: 1.3p). The dividend, which is subject to the approval of shareholders at the Annual General Meeting, will be payable on 11 August 2008 to shareholders on the Register on 11 July 2008.

Share Buy Backs

During the year the Company repurchased 12,125,000 shares for cancellation. This represented 11.4% of the Company's capital at the start of the year. The shares were purchased at an average discount of 10.1% to net asset value, so enhancing NAV per share by 1.23%.

Gearing

The Company has a £15 million uncommitted revolving loan facility, of which £2.5 million was drawn down at the year-end, gearing the portfolio by 2% (2007:7%).

The Board and the Manager review gearing regularly and closely.

Duncan Neil (known as Peter) Robertson

It was with great regret and sadness that the Board announced in March that Peter Robertson passed away on 21 March 2008. Peter had served as a member of the Board since 1995. He had wide experience of investment management in Asian markets and his wise counsel and guidance were valued highly by both his fellow Directors and the Company's investment managers. He will be much missed by colleagues and friends alike.

Special Business at the Annual General Meeting

As in previous years, the Board seeks shareholders' approval to renew the authorities to issue new ordinary shares, if necessary, while disapplying pre-emption rights, and to buy back the Company's ordinary shares in the market within the limits set out in Special Resolutions 8 and 9. This year, we are proposing that shares so acquired by the Company can also be held in treasury with a view to their resale if appropriate, or later cancellation. Shares that are purchased but not cancelled, are known as Treasury Shares. The holding of Treasury Shares is restricted to 10% of each class of a Company's share capital. Shares held in treasury will only be reissued on terms that are in the best interest of shareholders.

With Special Resolution 10, subdivided into sections 10.1 and 10.2, your Board seeks shareholders' authority to adopt revised Articles of Association for the Company in two stages. The changes follow the introduction of certain provisions of the Companies Act 2006 as well as the Transparency Directive on 20 January 2007. The Companies Act changes came into force during 2007 and early 2008 and the remainder will come into force in October 2008.

Ordinary Resolution 11 is proposed pursuant to changes in the UK Listing Rules. Listed investment companies are now subject to additional requirements in respect of their published investment policies. To comply with the new standards, the Directors are proposing a restated investment policy to be formally adopted, subject to shareholders' approval at the AGM. The restated policy is set out on pages 18 and 19 in the Report of the Directors. This will not give rise to changes in the way the Company's assets are managed.

Outlook

With contagion from the credit markets having reduced liquidity and confidence globally, equities have struggled since the turn of the year. At the same time, inflationary pressures have increased sharply, with inflation rates significantly surpassing both central bank targets and economists' expectations. The combination of these two events has caused investors to reduce exposure to the markets across the board, with the relative safety of government bonds benefiting from the flight to quality. However, recently we have seen investors developing a more sanguine view, with a number of Asian stockmarkets making strong gains. This may offer hope for a more stable environment, although there are worries that global economic headwinds may negatively impact markets in the second half of the year.

Asian economic and corporate fundamentals remain positive, and there are many reasons for optimism. Economic data has remained relatively resilient, with exports holding up well as growth in the rest of the world has helped to offset weakness in the US. Consensus estimates of corporate earnings growth for the region have been revised downwards recently, with the market now trading on a prospective earnings multiple of 13.5 times (on those consensus forecasts). As this is in the upper-end of historic ranges further gains may be limited. This suggests that risk and reward are now more balanced in Asia, with individual stock selection becoming increasingly important in adding value to Company performance.

I look forward to seeing shareholders at the Annual General Meeting of the Company on 6 August 2008, when there will be opportunities for them to meet members of the Board and the Investment Manager.

David Hinde

Chairman

19 June 2008

MANAGER'S REPORT

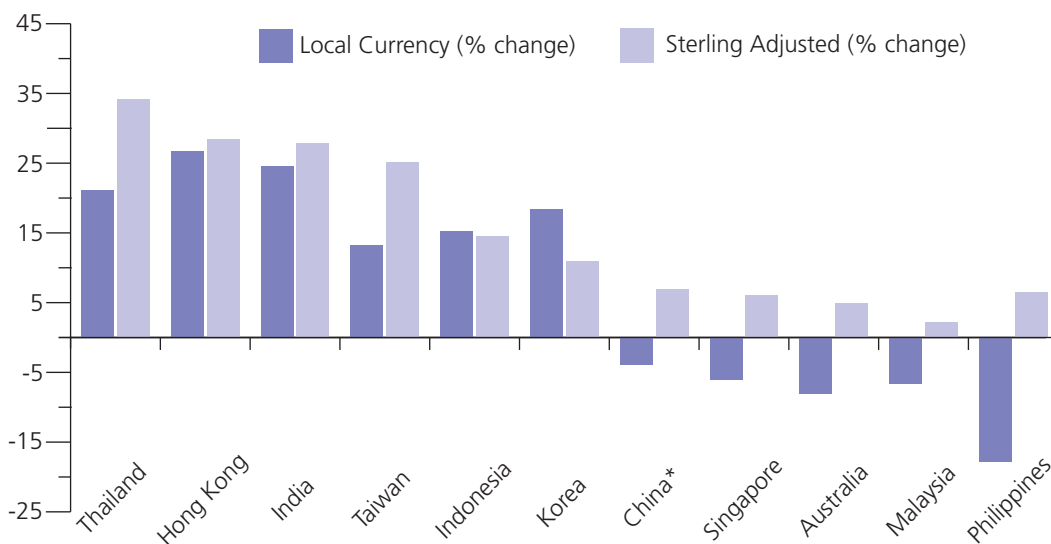
Asian stockmarkets peak in October, before falling in line with global markets.

MSCI All Countries Asia Pacific ex Japan Index (Total Return) Performance – 12 Months to 30 April 2008



Source: Thomson Financial Datastream

Stockmarket Performance – 12 Months to 30 April 2008



Source: Thomson Financial Datastream

*China SE Shanghai Composite Index

Market and Economic Review

Asian equities ended higher than at the start of the 12 months under review, despite a sharp increase in volatility. Hopes that the worst of the credit crisis may be over encouraged investors to be more positive on equities towards the end of the period. Overall, Asian markets outperformed versus developed and other emerging markets. The MSCI All Countries Asia Pacific ex Japan Index (Total Return) ended 19.1% higher, while the MSCI World Index actually recorded a fall of 1.0% in sterling terms.

The period was remarkable for the sharp increase in risk and volatility. Having peaked in October 2007, Asia followed world stockmarkets lower on increased concerns that the US economy might be

about to enter a recession. Sharp falls in share prices across the globe in January caused a number of Asian markets to suffer quite substantial declines, with markets which had outperformed in 2007 being the worst affected. However, since their lows in February, Asian stockmarkets have staged a rebound as sentiment towards equities has improved. Hong Kong and Chinese bourses recently enjoyed a strong turnaround in fortunes after a string of government announcements highlighted Beijing's eagerness to prop up stockmarkets. Chinese domestic stockmarkets had fallen to their lowest levels in nearly nine months in March, on a mixture of concerns over weaker profits, the effects of a US economic slowdown on the rest of the world and an oversupply of new companies coming to the market. However, Hong Kong and Chinese markets bounced back strongly, as Chinese policymakers announced new measures to stabilise the local 'A' share market. The government placed restrictions on the sale of shares by imposing controls on investors in listed companies in an effort to avert fears of a flood of new paper hitting the market. The government also reversed its decision from last year by lowering the stamp duty on stock transactions back to 0.1% from 0.3%, a move initiated in May 2007 to arrest the rapid ascent of local stockmarkets. This provided an immediate lift to the markets, with the Shanghai Composite index recording its biggest one-day gain in more than six years after the announcement. This helped the index to end the period 7.0% higher. Hong Kong's Hang Seng index performed even better, closing 28.4% higher (all figures are £ sterling returns) over the 12-month period.

India also enjoyed strong gains towards the end of the period, regaining some of the ground it had lost since the turn of the year. Software companies in particular benefited from a fall in the Indian rupee rate against the US dollar. Taiwan benefited strongly from Ma Ying-jeou's presidential election victory. His Kuomintang Party, which favours closer ties with China, won a landslide victory in the presidential elections with 58% of the votes. Other Asian markets also enjoyed strong gains for the year: Thailand's main stockmarket index was up by 34.2%, while Indonesia (+14.6%) and South Korea (+10.9%) also ended the period with solid gains. By contrast, both the Philippines and Malaysian stockmarkets suffered. The Philippines struggled as inflationary pressures weighed heavily on investors' minds, while Malaysian shares were hindered after the country's ruling coalition suffered a big election setback, leaving investors uncertain about government's policies, including important plans for infrastructure spending and fuel-subsidy cuts.

Despite the recent volatility, Asian macroeconomic fundamentals continued to demonstrate a reasonably solid footing. For China and India, the two largest economies in the region, data remained relatively strong, although snowstorms in China had a temporary negative impact on growth. Despite this, China's economic growth remained solidly in double-digit territory, growing 10.6% year-on-year (y-o-y) in the first quarter of 2008, while India maintained its robust growth at 8.4% in the fourth quarter. Elsewhere, initial first quarter data for 2008 has provided a surprisingly positive picture, with Hong Kong, Thailand and Indonesia all reporting better-than-expected economic growth figures. Hong Kong's economy actually accelerated further in the first quarter, as exports to China and Europe spurred its economy to expand by 7.1% y-o-y, after gaining 6.9% in the previous quarter. However, there are indications that growth may slow across the region in the second half of the year as the global economic slowdown takes more of a hold. Indeed, the World Bank has cut its forecast for Chinese economic growth to 9.6% from 11.6% last year, while India's government has also stated that growth in its economy looks set to moderate. Palaniappan Chidambaram, the Indian finance minister, forecast growth to slow to 8.7% in the year ending 31 March 2008, down from 9.6% in fiscal year 2007. Encouragingly, however, these figures remain on the high side, with Asian growth remaining far superior to that in developed markets.

Inflationary pressures continued to be a concern for the region, with upward inflation surprises being a recurrent theme this year. Chinese inflation hit an 11-year high recently, while India's inflation rate has also continued upwards. Wholesale inflation in India hit 7.3% by mid-April, while China's remained above 8% as commodity and oil prices surged. Elsewhere, consumer prices across the region also continued to tick higher. Soaring food prices were largely to blame for pushing up consumer inflation, with rice and pork prices in particular driving prices higher. This has seen central banks become far more vigilant, with rising inflation forcing Australia's central bank into two separate 25 basis-point rate hikes this year. Both China's and India's central banks have also responded by asking lenders to set aside more cash reserves. The concern is that inflation is not set to dissipate quickly as wage growth in a number of Asian countries continues to grow at double-digit rates. Recently, retail sales in China expanded by 22% in April, boosted by rising incomes and higher prices. With China, India and Indonesia home to 40% of the world population, it may take some time for inflation to moderate from these relatively high levels.

MANAGER'S REPORT

continued

Company Performance

Over the period, the Company provided strong absolute total returns, gaining 16.3% over the year ended 30 April 2008. By comparison, the MSCI All Countries Asia Pacific ex Japan Index (Total Return) ended the period 19.1% higher.

At a country level, the decision to increase our exposure to Taiwan proved positive as the presidential election benefited a number of Taiwanese stocks. The share prices of China Life Insurance, Far East Textile and Polaris Securities rose well over 50% during the period. Stock selection within Hong Kong and Indonesia also proved positive.

On a sector basis, stock selection within financials and industrials was strong. In particular, stock selection in diversified financials and insurance aided performance. The share price of Jardine Matheson, a conglomerate with a number of businesses in the Asia-Pacific region, rose strongly as the company delivered 2007 profits ahead of analyst expectations. By contrast, poor returns from some of our consumer stocks negatively impacted on relative performance. In particular, our holding in ABC Learning Centres in Australia, the world's largest owner of childcare centres, suffered as worries over its ability to repay debt emerged. The shares of Syneer Food Holdings, the Chinese-based food company, also fell sharply after the firm announced worse-than-expected fourth-quarter earnings.

Outlook for Asian Economies and Markets

Asian markets have underperformed so far in 2008, reflecting the high valuation levels some markets had reached in 2007. Recently, however, Asia has enjoyed somewhat of a revival as investors have become a little more willing to accept risk. There are of course concerns on how an economic slowdown in the global economy will impact on Asia's export-driven economies. In addition, Asia's vulnerability as a consumer, rather than as a producer of commodities, may also provide a negative backdrop. However, year-to-date falls have seen valuations in a number of stockmarkets come down to more attractive levels, as investors have come to realise that previous earnings growth forecasts were too high for 2008. This should help support Asian markets, and if indeed we encounter a softer landing for the global economy, this may provide an additional tailwind for Asian equities to outperform.

Macroeconomic conditions, despite remaining relatively resilient so far, may weaken in the second half of 2008 as the full effects of a global slowdown become apparent. Exports have held up well, as growth in Europe and within Asia has helped to offset weakness in exports to the US. In China, however, after a long period in which the main focus was the risk of overheating, there has recently been greater acknowledgement of the risks to growth. These risks stem mainly from global conditions, but there is also a concern that with inflation well above the government's 5% target, and with many inflationary pressures in the pipeline, there appears to be little chance of significant monetary policy easing in the short term. Central banks across the region are now facing an increasing dilemma. The expected US recession is posing downside risks to growth, but commodity-price inflation, partly reflecting the weaker US dollar, has continued to push inflation rates higher in most areas. Surging rice prices are another factor that has been fanning regional inflation. Rice prices have recently hit an all-time high, raising fears of fresh outbreaks of social unrest across Asia, where the grain is the staple food for more than 2.5 billion people. The latest increase in rice prices has been sparked by global rice stocks falling to their lowest levels in decades, along with a number of major rice-producing nations implementing restrictions on rice exports to ensure that domestic needs are met. Increasingly, governments are introducing measures to curb inflation. South Korea has frozen domestic utility prices, while China's policymakers have also introduced new price freezes. In our view, accelerating food prices are an issue where policymakers need to remain vigilant, but we do expect some pressures to subside in the second half of the year, leaving central banks with a clearer picture and a little more room for manoeuvre.

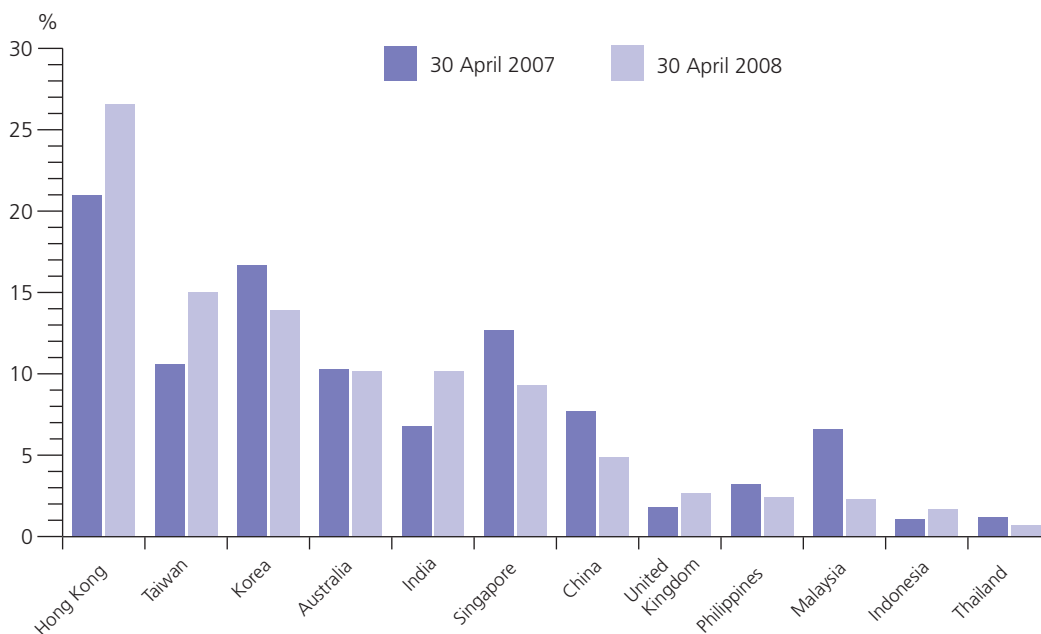
In terms of corporate earnings, consensus estimates of earnings growth for the region have recently been revised lower by around 3%. Earnings growth forecasts for the region as a whole now stand at 12% for 2008. This, however, may be still too high and we may see further downgrades as we move further into 2008. With the region on a prospective multiple of 13.5 times earnings, according to consensus earnings forecasts, overall valuations are close to the top end of recent historic ranges. Although we continue to see areas where valuations are at attractive levels, stock selection will likely be the key to outperformance in 2008.

Looking forward, we continue to be relatively sanguine about prospects for the region on a medium to long-term view and we certainly expect Asia to outperform if investors become more comfortable

that a slowdown in global growth will not extend into a prolonged recession. Importantly, growth in China and India remains strong. The global macroeconomic picture is uncertain at the moment, but Asian growth still remains superior to that of the developed world. Corporate earnings and balance sheets are currently strong and interest rates in many economies remain low. Valuations remain at a slight premium to those in the developed world, but if Asia can continue to deliver stronger growth, this should not be perceived as a major concern.

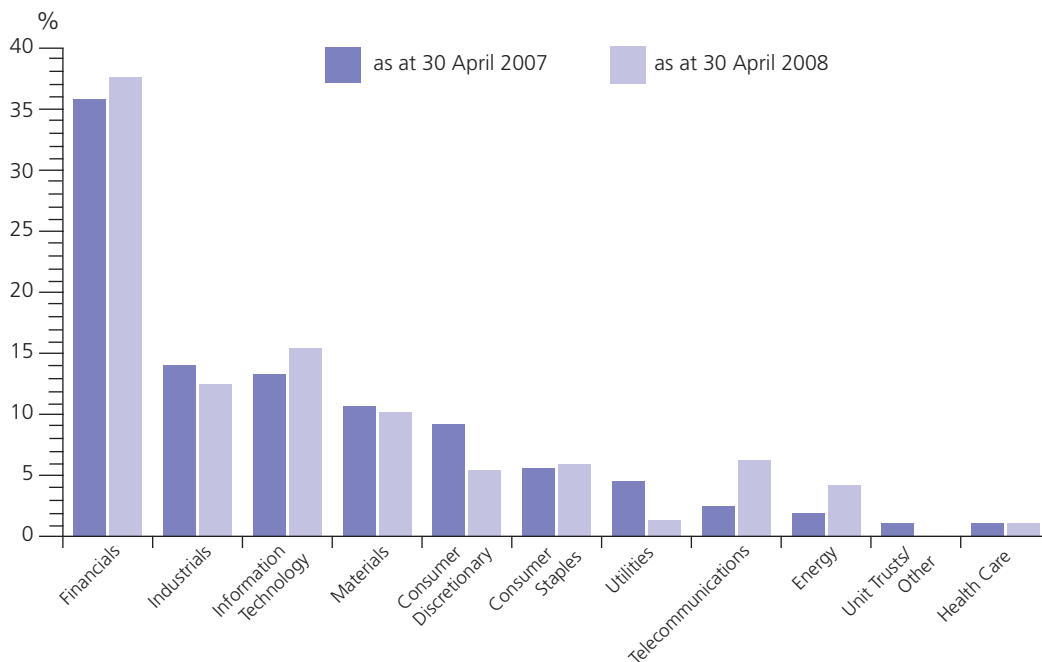
Although markets may be susceptible to any global macroeconomic scare or rising geo-political concerns, the overall message is that Asia continues to be an attractive investment destination on a medium - to long-term view. Asia certainly has its best chance since the early 1990s of remaining resilient in the face of a global slowdown.

Geographical Distribution of Investments



Source: Invesco

Sector Analysis of Investments



Source: Invesco

MANAGER'S REPORT

continued

Strategy

In terms of strategy, our aim is to find growth, but in areas where we feel that valuations are not excessive. We continue to favour domestic-growth plays, but remain vigilant on the valuation levels of some Chinese stocks, particularly as the Chinese government will be forced to maintain a tight monetary policy to combat inflation concerns. Instead, we continue to favour Hong Kong, where a combination of falling US interest rates and continuing strong growth in China makes it an attractive proposition. Essentially, we favour quality companies which have been de-rated along with the market, despite maintaining a positive outlook and robust earnings growth.

The Company is strongly focused on the consumer sector as demographics, high savings rates and increasing wages are all powerful factors that will help maintain the strength of consumer spending. By contrast, we are underweight in some cyclical areas, where global economic headwinds are likely to reduce earnings expectations.

More generally, the stockmarkets of India and China have fallen to a greater degree than other countries in Asia, although they may still look expensive if earnings continue to disappoint. However, they are expected to lead in any recovery. We are therefore looking to invest in China and India as their markets de-rate and become more attractive. Indeed, we recently bought Ping An Insurance after the share price had fallen by more than 50% from its peak.

Stuart Parks

Invesco Asset Management Limited

19 June 2008

CLASSIFICATION OF INVESTMENTS

AT 30 APRIL

	2008		2007	
	AT VALUATION £'000	% OF PORTFOLIO	AT VALUATION £'000	% OF PORTFOLIO
Australia				
Materials	6,638	5.6	5,572	4.5
Consumer Discretionary	393	0.3	1,747	1.4
Industrials	1,669	1.4	2,231	1.8
Financials	2,460	2.1	2,208	1.8
Utilities	1,163	1.0	911	0.7
	12,323	10.4	12,669	10.2
China				
Energy	771	0.6	2,304	1.9
Consumer Staples	667	0.6	186	0.2
Materials	–	–	951	0.8
Consumer Discretionary	691	0.6	191	0.2
Industrials	694	0.6	–	–
Financials	701	0.6	4,304	3.4
Information Technology	2,384	2.0	–	–
Utilities	–	–	1,622	1.3
	5,908	5.0	9,558	7.8
Hong Kong				
Energy	1,618	1.3	–	–
Consumer Staples	1,021	0.9	–	–
Consumer Discretionary	2,099	1.8	4,542	3.7
Industrials	4,873	4.0	3,176	2.6
Financials	16,021	13.3	13,844	11.2
Telecommunication Services	6,306	5.2	3,055	2.5
Utilities	3	–	–	–
Open Ended Funds	–	–	1,293	1.1
	31,941	26.5	25,910	21.1
India				
Consumer Staples	2,482	2.0	1,536	1.3
Materials	2,480	2.1	2,593	2.1
Consumer Discretionary	1,112	0.9	2,021	1.6
Industrials	1,996	1.7	660	0.5
Financials	965	0.8	–	–
Information Technology	1,981	1.6	1,621	1.3
Telecommunication Services	1,237	1.0	–	–
	12,253	10.1	8,431	6.8
Indonesia				
Consumer Staples	641	0.5	–	–
Materials	1,097	0.9	–	–
Industrials	333	0.3	–	–
Financials	–	–	1,408	1.1
	2,071	1.7	1,408	1.1

CLASSIFICATION OF INVESTMENTS

continued

	2008		2007	
	AT VALUATION £'000	% OF PORTFOLIO	AT VALUATION £'000	% OF PORTFOLIO
Malaysia				
Consumer Discretionary	604	0.5	2,195	1.8
Industrials	74	0.1	2,857	2.3
Financials	1,699	1.4	430	0.4
Utilities	428	0.4	2,651	2.2
	2,805	2.4	8,133	6.7
Philippines				
Consumer Staples	417	0.3	–	–
Financials	2,413	2.0	3,539	2.9
Utilities	–	–	398	0.3
	2,830	2.3	3,937	3.2
Singapore				
Energy	2,598	2.2	876	0.7
Consumer Staples	660	0.6	3,127	2.5
Industrials	2,923	2.4	4,549	3.7
Healthcare	1,367	1.1	1,368	1.1
Financials	2,505	2.1	4,636	3.7
Information Technology	1,106	0.9	1,179	1.0
	11,159	9.3	15,735	12.7
South Korea				
Consumer Staples	–	–	938	0.8
Materials	1,138	0.9	1,217	1.0
Consumer Discretionary	–	–	368	0.3
Industrials	4,099	3.4	2,568	2.1
Financials	6,283	5.2	8,990	7.2
Information Technology	5,218	4.3	6,513	5.3
	16,738	13.8	20,594	16.7
Taiwan				
Materials	186	0.2	1,626	1.3
Consumer Discretionary	1,637	1.4	–	–
Industrials	1,236	1.0	1,207	1.0
Financials	7,130	6.0	3,278	2.7
Information Technology	7,840	6.5	6,952	5.7
	18,029	15.1	13,063	10.7
Thailand				
Consumer Discretionary	–	–	221	0.2
Financials	816	0.7	1,206	1.0
	816	0.7	1,427	1.2
Other				
Materials	748	0.6	1,219	1.0
Financials	1,335	1.1	–	–
Consumer Staples	1,199	1.0	973	0.8
	3,282	2.7	2,192	1.8
Total Market Valuation	120,155	100.0	123,057	100.0

INVESTMENTS IN ORDER OF VALUATION

AT 30 APRIL 2008

Ordinary shares unless stated otherwise

COMPANY	PRINCIPAL ACTIVITY	COUNTRY	AT MARKET VALUE £'000	% OF PORT-FOLIO
China Mobile*	Telecommunication Services	Hong Kong	6,306	5.2
Jardine Matheson	Diversified Financials	Hong Kong	5,979	5.0
Samsung Electronics	Technology Hardware Equipment	South Korea	5,218	4.3
BHP Billiton	Materials	Australia	4,767	4.0
Taiwan Semiconductor Manufacturing	Semiconductors	Taiwan	4,572	3.8
Kookmin Bank	Banking	South Korea	3,670	3.1
United Phosphorus	Chemicals	India	2,480	2.1
QBE Insurance	Insurance	Australia	2,460	2.1
Wharf	Diversified Financials	Hong Kong	2,423	2.0
Sina	Software & Services	China	2,384	2.0
Top Ten Holdings			40,259	33.6
China Life	Insurance	Taiwan	2,340	1.9
ITC	Food, Beverages & Tobacco	India	2,200	1.8
Cheung Kong	Real Estate	Hong Kong	2,192	1.8
DBS	Banking	Singapore	2,164	1.8
Keppel	Capital Goods	Singapore	2,072	1.7
Noble	Capital Goods	Hong Kong	2,066	1.7
China Insurance*	Insurance	Hong Kong	2,004	1.7
Cathay Financial	Insurance	Taiwan	2,003	1.7
Infosys Technologies	Software & Services	India	1,981	1.6
Newcrest Mining	Materials	Australia	1,871	1.6
Top Twenty Holdings			61,152	50.9
Mediatek	Semiconductors	Taiwan	1,818	1.5
Downer	Capital Goods	Australia	1,669	1.4
Far East Textile	Consumer Durables & Apparel	Taiwan	1,637	1.4
Cnooc*	Energy	Hong Kong	1,618	1.3
Banco De Oro Universal	Banking	Philippines	1,560	1.3
Daelim Industrial	Capital Goods	South Korea	1,559	1.3
Dah Sing Banking	Banking	Hong Kong	1,530	1.3
Sinopac Financial	Diversified Financials	Taiwan	1,521	1.3
Daegu Bank	Banking	South Korea	1,475	1.2
Macquarie Korea	Transportation	South Korea	1,456	1.2
Top Thirty Holdings			76,995	64.1
Hon Hai Precision	Technology Hardware Equipment	Taiwan	1,450	1.2
Parkway	Healthcare	Singapore	1,367	1.1
China Real Estate Opportunities	Real Estate	United Kingdom	1,335	1.1
Polaris Securities	Diversified Financials	Taiwan	1,266	1.1
Bharti Airtel	Telecommunication Services	India	1,237	1.0
M.P. Evans	Food, Beverages & Tobacco	United Kingdom	1,199	1.0
APA	Utilities	Australia	1,163	1.0
Korea Investment	Diversified Financials	South Korea	1,138	0.9
Posco	Materials	South Korea	1,138	0.9
Voltas	Consumer Durables & Apparel	India	1,112	0.9
Top Forty Holdings			89,400	74.3
Datacraft Asia	Technology Hardware Equipment	Singapore	1,106	0.9
Tambang Batubara	Materials	Indonesia	1,097	0.9
Samsung Heavy	Capital Goods	South Korea	1,084	0.9
Bharat Heavy	Capital Goods	India	1,030	0.9
HKR International	Real Estate	Hong Kong	1,013	0.8
Jain Irrigation	Capital Goods	India	966	0.8
ICICI Bank	Banking	India	965	0.8
Singapore Petrol	Energy	Singapore	948	0.8
Beijing Enterprise*	Capital Goods	Hong Kong	891	0.7
Bumiputra-Commerce	Banking	Malaysia	891	0.7
Top Fifty Holdings			99,391	82.5

INVESTMENTS IN ORDER OF VALUATION

continued

COMPANY	PRINCIPAL ACTIVITY	COUNTRY	AT MARKET VALUE £'000	% OF PORT- FOLIO
Citic Pacific	Capital Goods	Hong Kong	884	0.7
Wing Lung Bank	Banking	Hong Kong	880	0.7
Filinvest Land	Real Estate	Philippines	853	0.7
Cosco Pacific	Transportation	Singapore	851	0.7
Ezra	Energy	Singapore	850	0.7
Cathay Pacific Air	Transportation	Hong Kong	835	0.7
CPN Retail Growth	Real Estate	Thailand	816	0.7
China Resources Enterprise*	Retailing	Hong Kong	803	0.7
Straits Asia	Energy	Singapore	800	0.7
Petrochina†	Energy	China	771	0.6
Top Sixty Holdings			107,734	89.4
West China Cement	Materials	United Kingdom	748	0.6
Wah Lee Industrial	Capital Goods	Taiwan	709	0.6
Ping An Insurance†	Insurance	China	701	0.6
China National Materials†	Capital Goods	China	694	0.6
Hong Kong & Shanghai Hotels	Hotels, Restaurants & Leisure	Hong Kong	694	0.6
Great Wall Motor†	Automobiles & Components	China	691	0.6
Synear Food	Food, Beverages & Tobacco	China	667	0.6
Bandar Raya Development	Real Estate	Malaysia	664	0.6
Petra Foods	Food, Beverages & Tobacco	Singapore	660	0.6
Unilever Indonesia	Household & Personal Products	Indonesia	641	0.5
Top Seventy Holdings			114,603	95.3
Genting	Hotels, Restaurants & Leisure	Malaysia	604	0.5
Dickson Concept	Retailing	Hong Kong	602	0.5
China Mengniu	Food, Beverages & Tobacco	Hong Kong	529	0.4
Taiwan Sogo Shingkong Security	Commercial Services & Supplies	Taiwan	527	0.4
Tenaga Nasional	Utilities	Malaysia	428	0.4
Alliance Global	Food, Beverages & Tobacco	Philippines	417	0.3
ABC Learning Centres	Consumer Services	Australia	393	0.3
Parkway Life Real	Real Estate	Singapore	341	0.3
United Tractors	Capital Goods	Indonesia	333	0.3
China Green	Food, Beverages & Tobacco	Hong Kong	308	0.3
Top Eighty Holdings			119,085	99.0
Hong Kong Aircraft	Transportation	Hong Kong	197	0.2
Taiwan Fertilizer	Materials	Taiwan	186	0.2
Hengan International	Household & Personal Products	Hong Kong	184	0.2
Bandar Raya Development Warrants	Real Estate	Malaysia	144	0.1
Dhampur Sugar	Food, Beverages & Tobacco	India	141	0.1
Dhampur Sugar Mills	Food, Beverages & Tobacco	India	96	0.1
Krisassets	Capital Goods	Malaysia	74	0.1
Dabur India	Household & Personal Products	India	45	0.0
China Resource Power	Utilities	Hong Kong	3	0.0
TOTAL			120,155	100.0

* Red Chip Holdings

† H-Shares

DIRECTORS

David Hinde (Chairman)

(Appointed 17 June 2003)

Aged 69, qualified and practised as a solicitor for five years before moving into investment banking. Much of his career has been connected with the Far East; from 1977-1982 he worked in Hong Kong with Wardley Limited, part of the HSBC Group, and then returned to London for twelve years to run international corporate finance at Samuel Montagu & Co. Limited, also part of the HSBC Group. From 1994-98 he was an executive director of Dah Sing Group, the Hong Kong-based banking and financial services group, on whose board he remains as a non-executive director. He is also chairman of Macau Property Opportunities Fund.

He is Chairman of the Nomination and Remuneration Committees.

Robin Baillie

(Appointed 7 April 1995)

Aged 74, was a director of Standard Chartered PLC from 1983-1994 and managing director of Standard Chartered Merchant Bank from 1977-1985. He is a director of City Merchants High Yield Trust plc, Gartmore Smaller Companies Trust plc and Gartmore Irish Growth Fund plc.

Bryan Lenygon

(Appointed 7 April 1995)

Aged 76, is a chartered accountant and a barrister. From 1975-1988 he was a director of Gartmore Investment Management Limited. He is a director of several other investment companies including Small Companies Dividend Trust plc and Chelverton Growth Trust plc. He is the Chairman of both the Audit Committee and the Management Engagement Committee.

Sir Robin McLaren

(Appointed 18 April 1995)

Aged 73, retired from the Diplomatic Service in 1994. Much of his career was spent in, or dealing with the Far East, including appointments as Ambassador to the Philippines (1985-1987) and to China (1991-1994). He served three times in Hong Kong and held senior positions at the Foreign Office with Asia-wide responsibilities. He is a director of Aberdeen All Asia Investment Trust plc and Fidelity Asian Values plc.

James Robinson

(Appointed 3 January 2007)

Aged 54, was Chief Investment Officer, Investment Trusts at Henderson Global Investors prior to his retirement in 2005. A chartered accountant, he has 28 years' investment experience and is also a director of Aberdeen New Thai Investment Trust plc and Fidelity European Values plc. He is a member of the Investment Committee of the British Heart Foundation.

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

ADVISERS AND PRINCIPAL SERVICE PROVIDERS

Manager, Secretary and Registered Office

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

Company Number

Registered in England and Wales
Number 3011768

Invesco Perpetual Investor Services

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

Custodian

JP Morgan Chase Bank
1 Chaseside
Bournemouth
Dorset BH7 7DB

Stockbrokers

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

Registrars

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

If you hold your shares directly and not through a savings scheme or ISA and have queries relating to your shareholding, you should contact the Registrars on ☎ 0871 664 0300.

Calls cost 10p per minute plus network charges.

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

Capita Registrars provide an on-line and telephone share dealing service to existing shareholders who are not seeking advice on buying or selling. This service is available at www.capitadeal.com or ☎ 0870 458 4577

Auditor

Grant Thornton UK LLP
30 Finsbury Square
London EC2P 2YU

Solicitors

Ashurst LLP
Broadwall House
5 Appold Street
London EC2A 2HA

SHAREHOLDER INFORMATION

The shares of Invesco Asia Trust plc are quoted on the London Stock Exchange. Purchases and sales can be arranged in a number of different ways. Some examples are:

Stockbroker; Bank; Share Shop; On-Line Dealing; and on-line and telephone dealing at Capita Registrars.

Savings Plan and ISA

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

Net Asset Value (NAV) Publication

The net asset value of the Company's ordinary shares ('NAV') is calculated by the Managers on a daily basis and is notified to the Stock Exchange on the next business day. It is published daily in the newspapers detailed below under Share Price Listings.

Share Price Listings

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

Financial Times	Investment Companies
The Times	Investment Companies
Daily Telegraph	Investment Trusts
Ordinary Shares	
Reuters	IAT.L
Bloomberg Page	IAT.LN
Internet addresses	
Invesco Perpetual	www.invescoperpetual.co.uk/investmenttrusts
Trust Net	www.trustnet.com
Interactive Investor	www.iii.co.uk
The Association of Investment Companies	www.theaic.co.uk

Financial Calendar

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

Announcements

Half-yearly unaudited results	December
Interim Management Statement	February
Final preliminary results	June
Interim Management Statement	August

Ordinary Share Dividends

Final payable	July/August
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Annual General Meeting

July/August

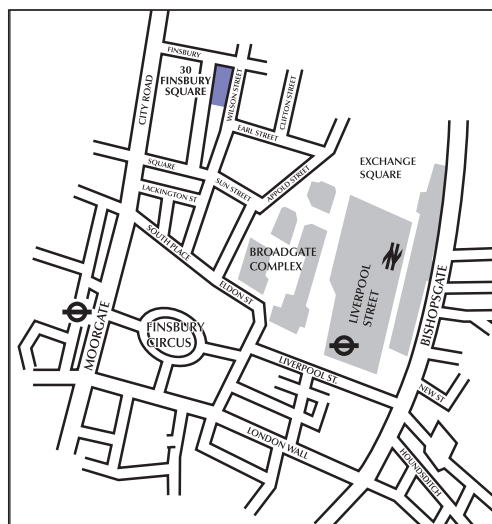
Year-end

30 April

Location and Date of Annual General Meeting

To be held at 12 noon on Wednesday, 6 August 2008 at 30 Finsbury Square, London EC2A 1AG

Following the AGM refreshments will be served.



REPORT OF THE DIRECTORS (INCORPORATING THE BUSINESS REVIEW)

FOR THE YEAR ENDED 30 APRIL 2008

Introduction

The Directors present their report together with the audited financial statements of the Company for the year ended 30 April 2008.

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

page 18	Nature of the Company
page 18	Objective and Investment Policy
page 19	Life of the Company
page 19	Share Capital and Rights attaching to the Company's Shares
page 20	Share Price and Net Asset Value
page 20	Key Performance Indicators
page 21	Invesco Perpetual's Investment Process and Performance
page 21	Principal Risks and Uncertainties
page 22	Resources, Relationships and Advisers
page 22	Financial Position
page 23	Social and Environmental Policies
page 23	Substantial Holdings in the Company
page 23	Special Business at the Annual General Meeting
page 25	The Manager
page 26	Directors
page 27	Report of the Audit Committee

Nature of the Company

The Company was incorporated and registered in England and Wales on 19 January 1995 as a public limited company under the Companies Act 1985, registered number 03011768.

The Company is an investment company as defined by section 833 of the Companies Act 2006 and operates as an investment trust in accordance with section 842 of the Income and Corporation Taxes Act 1988 ('ICTA'). HM Revenue & Customs have approved the Company's status as an investment trust, subject to there being no subsequent enquiry under Corporation Tax Self Assessment, in respect of the year ended 30 April 2007. In the opinion of the Directors, the Company has subsequently conducted its affairs so as to enable it to maintain such approval. The Board seeks to ensure that the Company is managed in such a way that it will continue to qualify as an investment trust under the provisions of section 842 of the Income & Corporation Taxes Act 1988.

Objective and Investment Policy

Pursuant to changes in UK Listing Rules, listed investment companies are now subject to additional requirements in respect of their published investment policies. To comply with the new standards, the Directors are proposing a restated investment policy to be formally adopted, subject to shareholders' approval, at the Annual General Meeting. This will not give rise to changes in the way the Company's assets are managed.

The proposed statement is as follows:

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

Investment Policy and Risk

Invesco Asia Trust plc invests primarily in the equity securities of companies listed in the stockmarkets of China, Hong Kong, India, Malaysia, Singapore, South Korea, Taiwan, Thailand and Australasia. It may also invest in unquoted securities up to 10% of the value of the Company's gross assets and in warrants and options when it is considered the most economical means of achieving exposure to an asset.

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

Investment limits

The Board has prescribed limits on the investment policy, among which are the following:

- exposure to any one company (excluding investment trusts) may not exceed 10% of total assets;
- individual and combined exposure to group-related companies may not exceed 10% and 15% respectively of total assets;
- the Company may not invest more than 10% of total assets in collective investment funds;
- the Company may not invest more than 10% in aggregate in unquoted investments; and
- the Company may invest in warrants and options, up to a maximum of 10% of total assets. Other derivative instruments are not permitted.

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

For all the above limits, the Company's total assets are taken at time of acquisition.

Gearing

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

Company Business

A review of the Company's business is provided in the Chairman's Statement on pages 4 and 5 and in the Manager's Report on pages 6 to 10.

Life of the Company

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

The last General Meeting at which shareholders approved the continuation of the Company was the AGM in 2007. The Board will again ask to be released from the obligation to wind up the Company at the AGM in 2010.

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

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

Share Capital and Rights Attaching to the Company's Shares

At the year-end the Company's share capital consisted of 93,837,425 ordinary shares of 10p each. During the year, 12,125,000 ordinary shares were bought back as follows:

DATE	NUMBER OF SHARES BOUGHT BACK	PRICE (p)	DISCOUNT TO NAV
8 October 2007	1,800,000	118.000	10.3%
23 October 2007	500,000	116.000	10.9%
22 November 2007	3,175,000	108.500	10.7%
23 November 2007	1,650,000	109.218	8.7%
13 December 2007	5,000,000	119.000	9.7%

REPORT OF THE DIRECTORS (INCORPORATING THE BUSINESS REVIEW)

continued

Further details in respect of the buy backs undertaken during the year can be found in the Chairman's Statement on page 4.

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

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

At a general meeting of the Company every member has one vote on a show of hands and on a poll one vote for each 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.

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

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

The Company is not aware of any other restrictions on the transfer of shares in the Company other than certain restrictions that may from time to time be imposed by laws and regulations (for example insider trading laws).

The Company is not aware of any agreements between shareholders that may result in restrictions on the transfer of securities or voting rights.

Results

The results for the year are shown in the income statement on page 40.

Share Price and Net Asset Value

On 30 April 2008 the mid-market price and the net asset value per 10p ordinary share were 112.8p and 126.7p respectively. The comparable figures on 30 April 2007 were 97.8p and 109.6p.

Key Performance Indicators

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

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

Asset Performance

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

On a capital level, the net asset value of the Company rose by 15.6% during the course of the year compared with a rise of 15.7% in the benchmark index. The total return on the NAV was 16.3% compared to the index total return of 19.1%.

Dividends

Subject to approval at the AGM the proposed final dividend for the year ended 30 April 2008 of 1.5p (2007: 1.3p) per share will be payable on 11 August 2008 to shareholders on the register on 11 July 2008.

Peer Group Performance

There are currently some 300 investment trust companies in the UK, of which there are 13 in the Asia Pacific Excluding Japan Sector. The Board monitors the performance of the Company in relation to both the sector as a whole and to those companies within it which most closely match its objectives and capital structure.

As at 30 April 2008, the Company was ranked number 6 in its sector over 1 year, number 7 in its sector over 3 years and number 10 in its sector over 5 years (source: Cazenove).

Discount

The Board monitors the price of the shares in relation to their NAV and the premium/discount at which the Company's shares trade. During the year the shares traded at a discount to NAV in a range of 4.5% to 15.0%. At the year-end the discount stood at 9.9%. To enable the Board to take action to deal with any significant overhang of shares in the market, it seeks approval from shareholders every year to buy back and issue shares. This may assist in the management of the discount, but the primary reason for buying back or issuing shares is to enhance shareholder value.

Total Expense Ratio ('TER')

The expenses of managing the Company are carefully monitored by the Board at every meeting. Management fee and other expenses for the year totalled £1,471,000 (2007: £1,297,000), including those charged to capital. It is the intention of the Board to seek to minimise the TER which provides a guide to the effect on performance of all annual operating costs.

At the year-end, the TER was 1.3% (2007: 1.2%).

Invesco Perpetual's Investment Process and Performance

Portfolio performance is substantially dependent on the performance of Asian and Australasian equities. These stocks are influenced by the general health of the economies in the Far Eastern region, particularly that of China – the engine for growth in the region. Other influences include upward pressures on US interest rates and commodity prices. The Fund Managers strive to maximise capital growth from the stocks in which they invest, but these stocks are obviously influenced by market conditions and the Board recognises the external influences which affect portfolio performance. For a fuller discussion of the economic and market conditions facing the Company and the prospects for future performance, please see the Chairman's Statement and the Manager's Report on pages 4 to 10.

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

Principal Risks and Uncertainties

The Company's investments are traded on the Far Eastern, Indian and Australasian stockmarkets. The principal risk for investors in the Company is of a significant fall and/or a prolonged period of decline in the markets. This could be triggered by unfavourable developments within the region or events outside it. Additionally, performance is geared by bank borrowings which may accentuate any decline in performance. Other significant risks include consistent underperformance by the Manager, or the market rating of the Company failing to reflect good performance.

While the Board obviously cannot influence market movements, it is vigilant in monitoring and taking steps to mitigate the effects of falls in markets should they occur. As has been indicated, the performance of the Manager is carefully monitored by the Board, and the continuation of the Manager's mandate is revisited every six months. The Board has established guidelines to ensure that

REPORT OF THE DIRECTORS (INCORPORATING THE BUSINESS REVIEW)

continued

the investment policy that it has approved is pursued by the Manager. The Board and the Manager maintain an active dialogue with the aim of ensuring that the market rating of the Company's shares reflects the underlying net asset value; and there are in place both buy-back and issuance facilities to assist in the management of this process.

The Company is subject to various laws and regulations by virtue of its status as an investment trust and its listing on the London Stock Exchange. A breach of s.842 ICTA could lead to the Company being subject to capital gains tax on the profits arising from the sale of its investments. A serious breach of other regulatory rules might lead to suspension from the Stock Exchange or to a qualified Audit Report. Other control failures, either by the Manager or any other of the Company's service providers, might result in operational or reputational problems, erroneous disclosures or loss of assets through fraud, as well as breaches of regulations.

The Manager reviews compliance with s.842 ICTA and other financial regulatory requirements on a daily basis. All transactions, income and expenditure are reported to the Board. The Board regularly considers all risks, the measures in place to control them and the possibility of any other risks that could arise. The Board ensures that satisfactory assurances are received from service providers. The Manager's Compliance Officer produces regular reports for review by the Company's Audit Committee.

Risks and Risk Management Policies are also detailed in note 19 to the financial statements on page 51.

Resources

The Company is an investment trust and has no employees. All the Directors are non-executive. However, through contractual arrangements in place, a full range of services is available to the Company. The most significant contract is with the Manager, Invesco Asset Management Limited ('IAML'), to whom responsibility for the management of the portfolio is delegated. The Board reviews the performance of the Manager at every Board Meeting and otherwise when market conditions dictate.

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

The Board has adopted guidelines within which the Manager is permitted wide discretion; any proposed variations outside these parameters are referred to the Board. The Board has the power to replace the Manager and reviews the management contract formally every year. The outcome of this review is commented on page 25.

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

Relationships

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

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

Advisers and Principal Service Providers

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

- Arbutnot Securities Limited as Corporate Broker,
- Grant Thornton UK LLP as Auditor,
- Capita Registrars as Registrars,
- JPMorgan Chase Bank as Custodian, and
- Ashurst LLP as Solicitors

Further details of the advisers can be found on page 16.

Financial Position

Assets and Liabilities

At 30 April 2008 the Company's net assets were valued at £118.9 million (2007: £116.1 million). These comprised a portfolio of equity investments, net current assets and cash. The Company has a £15 million uncommitted revolving credit facility, of which £2.5 million was drawn at the year-end compared with £8 million at 30 April 2007. Rates of interest on borrowings are related to LIBOR. The highest drawings during the year were £13.8 million. All drawings are in sterling and it is not the Board's policy to maintain large currency balances.

Gearing Policy

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

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

Social and Environmental Policies

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

Substantial Holdings in the Company

At 13 June 2008, the Company had been notified of the following holdings of 3% and over of the Company's issued share capital carrying unrestricted voting rights:

	<i>Holding</i>	%
City of London Investment Management	9,432,000	10.1
Derbyshire County Council	8,475,000	9.0
Lazard Asset Management	5,869,600	6.3
Rathbones	5,582,209	6.0
BAE Systems Pensions	4,198,000	4.5
Legal & General Investment Management	4,162,715	4.4
Rensburg Sheppards Investment Management	3,392,688	3.6
BlackRock Investment Management	3,309,204	3.5
BestInvest	3,128,062	3.3
SG	2,869,346	3.1

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

Shareholders will find on pages 56 to 61 the notice of the forthcoming AGM of the Company to be held on 6 August 2008. In addition to the ordinary business of the meeting, four resolutions are proposed as special business. These will be proposed as three Special Resolutions and one Ordinary Resolution and are as follows:

Authority to Allot Shares

By law, Directors are not permitted to allot new shares (or to grant rights over shares) unless authorised to do so by shareholders. In addition, Directors require specific authority from shareholders

REPORT OF THE DIRECTORS (INCORPORATING THE BUSINESS REVIEW)

continued

before allotting new shares (or granting rights over shares) for cash without first offering them to existing shareholders in proportion to their holdings. Special Resolution 8 gives the Directors, for the period until the conclusion of the next AGM the necessary authority to allot securities up to an aggregate nominal amount of £938,374, which is equivalent to 9,383,742 ordinary shares and approximately 10% of the issued ordinary share capital.

The Resolution also empowers the Directors until the conclusion of the next AGM or, if earlier, the expiry of 15 months from the date on which the Resolution is passed, to allot securities for cash, otherwise than to existing shareholders on a pro-rata basis, up to an aggregate nominal amount of £938,374 which is equivalent to 9,383,742 ordinary shares, this being 10% of the issued share capital.

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

Authority to Buy Back Ordinary Shares

The Directors were granted authority at last year's AGM to buy back shares for cancellation. As detailed previously, 12,125,000 shares were bought back for cancellation during the year.

The Directors are seeking to renew this authority and Special Resolution 9, a resolution to purchase in the market, for cancellation or holding in Treasury up to 14,066,230 ordinary shares (being 14.99% of the issued ordinary share capital as at 19 June 2008) will be proposed at the AGM. This authority, if approved, will expire at the Company's next AGM, unless renewed. The Directors intend that the authority to purchase the Company's shares will only be exercised when such a purchase would be in the best interests of shareholders generally.

Purchases of ordinary shares will only be made through the market for cash at prices below the prevailing NAV per ordinary share. Under the Listing Rules of the Financial Services Authority, the maximum price which can be paid is 5% above the average of the middle market values of the ordinary shares for the five business days before the purchase is made. The minimum price which may be paid is 10p per share, this being the nominal value of a share. In making purchases, the Company will deal only with member firms of the London Stock Exchange.

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

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

Articles of Association

The Company's Articles of Association may only be amended by a special resolution at a general meeting of shareholders. At the Company's AGM to be held on 6 August 2008, a special resolution will be put to shareholders proposing the approval of new Articles of Association, to incorporate changes introduced by the new Companies Act 2006.

At last year's AGM, certain provisions of the Companies Act 2006, such as electronic communication with shareholders via the Company's website, the removal of a maximum age for Directors to continue in service and changes to a number of references to statutory provisions in the Companies Act 1985 were adopted in revised Articles of Association.

Resolution 10 with subsections 10.1 and 10.2 is a Special Resolution which seeks authority to adopt new Articles of Association for the Company and changes to the new Articles of Association for the Company, if adopted, to take effect from 1 October 2008.

Resolution 10.1 proposes the adoption of new Articles of Association primarily to take account of changes brought about by the Companies Act 2006. Details of those changes are included in the explanatory notes 1 to 8 to the Notice of Annual General Meeting on pages 58 and 59.

As some provisions of the Companies Act 2006, including the codification of directors' conflict of interest duties, only come into effect from 1 October 2008, it is not possible to reflect them in the Company's Articles of Association until the new legislation is in force. Under the Companies Act 2006, from 1 October 2008 a director must avoid a situation where he or she has or can have a direct or indirect interest that conflicts, or possibly may conflict, with the Company's interests. The Companies Act 2006 allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the Articles of Association contain a provision to this effect. Resolution 10.2 therefore proposes amendments to the new Articles of Association, if adopted, to take effect from 1 October 2008, to give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position. There are safeguards which will apply when directors decide whether to authorise a conflict or potential conflict. Details of this and the other principal changes are included in the explanatory note 9 to the Notice of Annual General Meeting on page 59.

Investment Objective and Policy

Ordinary Resolution 11 will be proposed pursuant to changes in the UK Listing Rules whereby a restated investment policy needs to be formally adopted by shareholders. The proposed new policy statement is shown in full on pages 57 and 58 in the Notice of Annual General Meeting.

Investment Management Agreement

Invesco Asset Management Limited acts as Manager to the Company under an investment management agreement dated 2 June 1995, subsequently revised on 14 July 1997 and 28 January 2004. The agreement is terminable by either party by giving not less than six months' written notice.

The management fee is payable quarterly in arrears and is equal to 0.75% per annum of the value of the Company's total assets less current liabilities (excluding any short-term borrowings) under management at the end of the relevant quarter. The assets for this purpose exclude the value of any investments in other funds managed by the Manager.

With effect from November 2007 no VAT has been payable on management fees following the ruling of the European Court of Justice that investment management fees are exempt VAT. For other investment trust companies, this will result in significant reclaims of VAT. However, this is not the case for the Company as all VAT has already been recovered by way of the normal VAT return process.

The Manager's Responsibilities

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

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

Assessment of the Manager

The Management Engagement Committee comprises the entire Board of Directors. The Committee meets at least annually, specifically to consider the ongoing investment management, secretarial and administrative requirements of the Company. The ongoing requirements of the Company and services received are assessed with reference to key performance indicators as set out on pages 20 and 21.

Performance is reviewed by reference to the MSCI All Countries Asia Pacific ex Japan Index and to peer group performance. The quality and timeliness of reports to the Board is also taken into account and the overall conduct of the Company's affairs by the Manager is considered. Based on its recent

REPORT OF THE DIRECTORS (INCORPORATING THE BUSINESS REVIEW)

continued

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

Directors

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

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

Duncan Neil (known as Peter) Robertson passed away on 21 March 2008. He had served as a member of the Board since 1995 and his counsel and guidance will be much missed.

The present members of the Board, all of whom served throughout the year, are listed on page 15, together with their biographies. In accordance with the Board's tenure policy set out in the Corporate Governance Statement on page 32, long-serving Directors will retire at this year's AGM and will offer themselves for re-election. Therefore, the Directors retiring and offering themselves for re-election at the Company's AGM are Robin Baillie, Bryan Lenygon and Sir Robin McLaren, each having served on the Board for more than 9 years.

In accordance with the Company's Articles of Association, at every AGM, there shall retire from office any Director who shall have been a Director at each of the preceding two AGMs and who was not appointed or re-appointed by the Company in general meeting since. A retiring Director is eligible for re-appointment. David Hinde was re-elected at the Company's AGM in 2006 and James Robinson was elected at the Company's AGM in 2007. Therefore no Directors are required to retire for this purpose at this year's AGM.

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

	BOARD MEETINGS		AUDIT COMMITTEE MEETINGS		MANAGEMENT ENGAGEMENT COMMITTEE MEETINGS	
	HELD	ATTENDED	HELD	ATTENDED	HELD	ATTENDED
David Hinde, Chairman	5	5	2	2	1	1
Robin Baillie	5	5	2	2	1	1
Sir Robin McLaren	5	4	2	1	1	1
Bryan Lenygon	5	5	2	2	1	1
James Robinson	5	5	2	2	1	1

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

In the opinion of the Board, all Directors are independent of the Company's Manager. However, Mr Baillie is also a director of City Merchants High Yield Trust plc which is managed by Invesco Asset Management Limited and under the Listing Rules of the UK Listing Authority, he is not considered independent.

Directors' Interests

The beneficial interests of the Directors in the ordinary share capital of the Company at 30 April 2008 are set out below:

	2008 NUMBER	2007 NUMBER
David Hinde	5,000	5,000
Robin Baillie	5,000	5,000
Sir Robin McLaren*	4,500	4,500
Bryan Lenygon	–	–
James Robinson	10,000	10,000

* The shares are held by Sir Robin McLaren's spouse.

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

No changes in the above interests occurred between the year-end and 19 June 2008.

Related Party Transactions

David Hinde, the Chairman of the Company, is a non-executive director of Dah Sing Banking Group, and the Fund holds shares in that company equivalent to 1.3% of the value of the portfolio. The Board has delegated authority for investment selection to the Manager and the Manager has selected this investment independently in accordance with the investment objective set out on page 18. The Board as a whole reviews the investment portfolio on a regular basis and is satisfied that the investment was selected in an objective manner and that no conflict of interest has arisen as a result of the selection of this stock.

Disclosable Interests

No Director was a party to, or had any interests in, any contract or arrangement with the Company at any time during the year or at the year-end. The Company has entered into Deeds of Indemnity with Directors under which Directors are indemnified by the Company for, *inter alia*, costs incurred in defending claims made by third parties.

Deeds of Indemnity

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

However, Directors will not be entitled to be indemnified for any liability to the Company, for fines payable to regulatory authorities, for defending any criminal proceedings in which they are convicted or in defending any civil proceedings brought by the Company. In the event that judgment is given against a Director in relation to any claim, the Director will repay to the Company any amount received from the Company under his indemnity. The indemnity does not apply to the extent that a liability is recoverable from any insurers, if it is prohibited by the Companies Act 1985 or otherwise prohibited by law, if it relates to tax payable on remuneration or other benefits received, or if a liability arises from an act or omission of the Director which is shown to have been in bad faith or arising from gross negligence.

Directors' and Officers' Liability Insurance

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

Report of the Audit Committee

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

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

The audit programme and timetable is drawn up and agreed with the auditor in advance of the Company's financial year-end. At that stage, matters for audit focus are discussed and agreed. These matters are given particular attention during the audit process and, among other matters, are reported on by the auditor in their audit review for the Committee. The audit review is considered by the Committee and discussed with the auditor and the Manager prior to approval and signature of the financial statements.

REPORT OF THE DIRECTORS (INCORPORATING THE BUSINESS REVIEW)

continued

The Committee reviewed the financial statements for the year ended 30 April 2008 with the Manager and the auditors at the conclusion of the audit process.

Audit Information

The Directors who held office at the date of approval of the Directors' Report confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware, and each Director has taken all the steps that he ought reasonably to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This information is given in accordance with the provisions of Section 234ZA of the Companies Act 1985.

There were no matters of significance arising from the audit that needed to be brought to the Board's attention.

Auditor

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

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

Individual Savings Account ('ISA')

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

Creditor Payment Policy

It is the Company's policy to obtain the best terms for all business, including purchases of investments, and to abide by those agreed terms. It is the Company's policy to settle all investment transactions according to settlement periods established for the relevant markets. The Company had no trade creditors at 30 April 2008 (2007: nil).

Donations

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

Going Concern

After making enquiries, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

By order of the Board

Invesco Asset Management Limited

Secretary

30 Finsbury Square
London EC2A 1AG

19 June 2008

DIRECTORS' REMUNERATION REPORT

FOR THE YEAR ENDED 30 APRIL 2008

The Board presents this Remuneration Report which has been prepared under the requirements of Schedule 7A to the Companies Act 1985 and in accordance with the Listing Rules of the Financial Services Authority. An Ordinary Resolution for the approval of this report will be put to shareholders at the AGM.

The Company's auditor is required to audit certain of the disclosures provided in this Report. Where disclosures have been audited, they are so indicated in this Report. The independent auditor's opinion is included in their Report on pages 38 and 39.

Remuneration

The Board is considered small for the purposes of the 2006 Financial Reporting Council Combined Code (the 'Code') and all Directors are members of the Remuneration Committee.

The Remuneration Committee is responsible, under the Chairmanship of David Hinde, for reviewing the remuneration of the Company's non-executive Directors on a regular basis in a fair and thorough manner. The Directors seek advice from, *inter alia*, the Company Secretary, Invesco Asset Management Limited, when considering the level of Directors' fees. The Remuneration Committee has written terms of reference which clearly define its responsibilities and duties. The terms of reference were reviewed and updated in January 2007 to ensure compliance with the latest best practice requirements. They will be available for inspection at the AGM and can be inspected at the Registered office of the Company.

During the year the Remuneration Committee reviewed the Directors' fees and approved remuneration increases as follows with effect from 1 August 2007:

- Chairman from £18,500 to £22,000;
- Chairman of the Audit Committee from £16,500 to £19,000; and
- Other Directors from £15,000 to £17,000.

Policy on Directors' Remuneration

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

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

It is intended that this policy will continue for the year ending 30 April 2009 and subsequent years.

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

Directors' Service Contracts

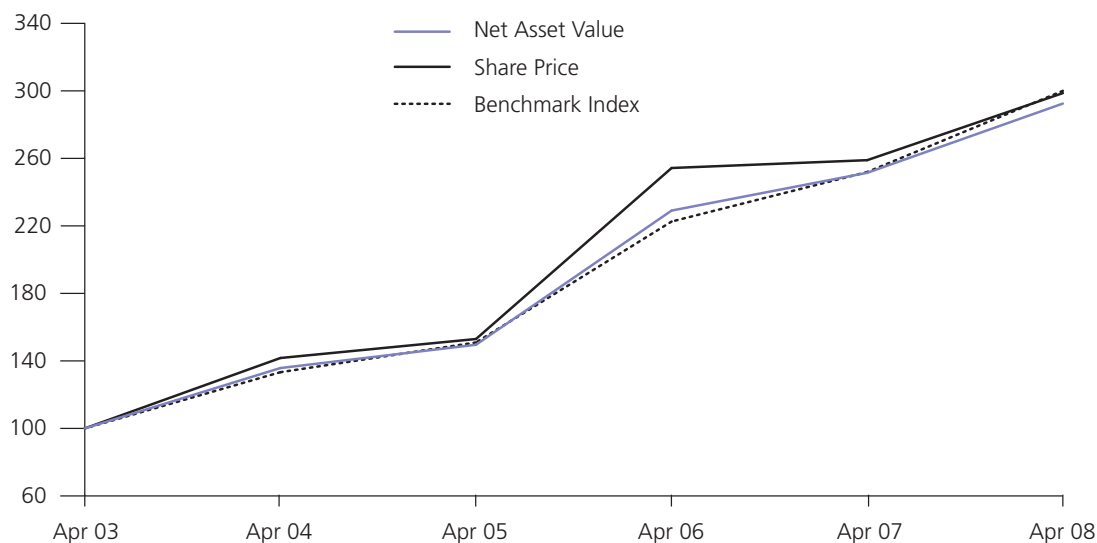
All Directors have letters of appointment which are available for inspection at the Registered Office of the Company. Under the Articles of Association of the Company, the terms of the Directors' appointments provide that a Director shall retire and be subject to re-election at the first annual general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

The Company's Performance

The graph below plots the NAV and share price total return compared to the total return of the MSCI All Countries Asia Pacific ex Japan Index (adjusted for sterling) over the five years to 30 April 2008. This benchmark index is adopted by the Company for performance measurement purposes, as it is considered by the Board to be the most appropriate index. Figures have been rebased to 100 at 30 April 2003.

DIRECTORS' REMUNERATION REPORT

continued



Directors' Emoluments for the Year (Audited)

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

	2008 £	2007 £
David Hinde (Chairman of the Board)	21,165	18,500
Bryan Lenygon (Chairman of the Audit Committee)	18,410	16,500
Robin Baillie	16,531	15,000
Sir Robin McLaren	16,531	15,000
Duncan Neil (known as Peter) Robertson	15,114	15,000
James Robinson	16,531	5,000
Total	104,282	85,000

Approval

The Directors' Remuneration Report was approved by the Board of Directors on 19 June 2008.

David Hinde

Chairman

Signed on behalf of the Board of Directors

CORPORATE GOVERNANCE

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

The Principles

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

In February 2007, the Financial Reporting Council confirmed that AIC member companies who report against the AIC Code and who follow the AIC Guide would meet their obligations in relation to the 2006 Combined Code on Corporate Governance and paragraph 9.8.6 of the Listing Rules (relating to additional items to be included in the Annual Financial Report). This statement describes how the principles of the AIC Code and Guide have been complied with in the affairs of the Company. Any reference to the 'AIC Code' in this statement includes references to the AIC Guide.

During the year, the terms of reference for the Board as well as for the Audit, Management Engagement, Nomination and Remuneration Committees were reviewed to ensure continuing latest best practice.

The Company's Corporate Governance procedures are considered regularly by the Board and amended as necessary.

The Directors believe that, during the period under review, they have complied with the provisions of the AIC Code and Guide and, therefore with all the relevant provisions in Section 1 of the Combined Code, save in respect of those matters discussed below as being in the course of implementation or except as explained under the relevant sections.

Directors

Independence

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

Robin Baillie is also a director of City Merchants High Yield Trust plc, an investment trust company managed by Invesco Asset Management Limited, and is therefore not considered independent under the Listing Rules. However, the Board considers that Mr Baillie's position as a Director of City Merchants High Yield Trust plc does not affect his independence on matters relating to the Company and does not compromise his integrity or impartiality in carrying out his responsibilities as a Director of the Company.

The Board has considered the continued appointment and the independence of Messrs Baillie, Lenygon and Sir Robin McLaren, all of whom were appointed to the Board at the Company's inception in 1995. It was concluded that all Directors continue to be effective, to make valuable contributions to the Board and to show commitment to their roles. Furthermore, their independence from the Company's Manager is not compromised by their length of service but, to the contrary, is strengthened by experience. Each of these Directors will seek re-election annually. In this respect the Board complies with the AIC Code whereby Directors should submit themselves for re-election annually should their service total more than nine years.

Chairman

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

Senior Independent Director

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

Board Balance

The Directors have a range of business, financial and asset management skills and experience relevant to the direction and control of the Company. Brief biographical details of members of the Board are shown on page 15.

CORPORATE GOVERNANCE

continued

Board Responsibilities

Directors have a duty to promote the success of the Company taking into consideration the likely consequences of any decision in the long-term; the need to foster the Company's business relationships with its Manager and advisers; the impact of the Company's operations on the community and the environment; the desirability of the Company maintaining a reputation for high standards of business conduct; and the need to act fairly as between shareholders of the Company.

The Directors are equally responsible for promoting the success of the Company by directing and supervising its affairs within a framework of effective controls which enable risk to be assessed and managed. In addition, the Directors are responsible for ensuring that their policies and operations are in the best interests of all of the Company's shareholders and that the interests of creditors and suppliers to the Company are properly considered.

A formal schedule of matters reserved for decision by the Board and detailing the responsibilities of the Board has been established. This Schedule was reviewed and updated in January 2007, to ensure compliance with the AIC Code. 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.

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

Supply of Information

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

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

The Board meets on a regular basis five times each year and additional meetings are arranged as necessary. Regular contact is maintained between the Manager, the Chairman and the other Directors between formal meetings.

Board meetings follow a formal agenda, which includes a review of the investment portfolio with a report from the Manager on the current investment position and outlook, strategic direction, performance against stock market indices and the Company's peer group, asset allocation, gearing policy, cash management, revenue forecasts for the financial year, marketing and shareholder relations, corporate governance, regulatory changes and industry and other issues.

The Manager's Responsibilities

The Manager is responsible for the day-to-day investment management decisions and for provision of company secretarial and accounting services. A statement of the Manager's responsibilities is shown on page 25 in the Report of the Directors.

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

Nomination Committee, Appointment, Re-election and Tenure

All non-executive Directors are members of the Nomination Committee under the Chairmanship of David Hinde. The main responsibilities of the Nomination Committee are to review the size, structure

and skills of the Board and to make recommendations with regard to any changes considered necessary or new appointments. The Nomination Committee has written terms of reference which are reviewed annually and clearly define its responsibilities and duties. The terms of reference were reviewed and updated in January 2007 to ensure compliance with the AIC Code. They will be available for inspection at the AGM and can be inspected at the Registered Office of the Company.

No Director has a contract of employment with the Company. Directors' terms and conditions of appointment are set out in letters of appointment which are available for inspection at the Registered Office of the Company and will be available at the AGM. The Articles of Association require that each Director shall retire and be subject to election at the first AGM after appointment and re-election at least every three years thereafter. No Director serves a term of more than three years before re-election. As David Hinde was re-elected at the Company's AGM in 2006, the next general meeting at which he will stand for re-election will be the AGM in 2009. James Robinson was elected at the Company's AGM in 2007 and will therefore stand for re-election in 2010.

A Director's normal tenure of office will be for three terms of three years, except that the Board may determine otherwise if it is considered that he remains independent and his continued membership of the Board is in the best interests of the Company and its shareholders. In this case, a Director serving longer than nine years will seek re-election annually. This applies to Messrs Baillie, Lenygon, and McLaren.

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

Messrs Baillie, Lenygon and McLaren are standing for re-election at this year's AGM. The Chairman confirms that the performance of all Directors continues to be effective and demonstrates commitment to the role, and recommends to shareholders the approval of resolutions 5 to 7 relating to the Directors seeking re-election.

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

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

Directors' Remuneration

Details of the Company's policy on remuneration and of payments to Directors are given in the Directors' Remuneration Report on pages 29 and 30.

Company Secretary

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

CORPORATE GOVERNANCE

continued

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 £5,000, having first consulted the Chairman.

Accountability and Audit

The Directors' responsibilities for the Company's accounting records and financial statements are set out on page 37. The Independent Auditor's Report appears on pages 38 and 39.

Audit Committee

The Audit Committee is comprised of all Directors under the Chairmanship of Bryan Lenygon. Committee members consider that, collectively, they are appropriately experienced to fulfil the role required. The Committee has written terms of reference which clearly define its responsibilities and duties. These terms were reviewed and updated in January 2007 to ensure compliance with the AIC Code. The terms of reference, which set out the Audit Committee's role and authority, will be available for inspection at the AGM and can be inspected at the Registered Office of the Company as well as on the Company's website.

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

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

The audit programme and timetable is drawn up and agreed with the Company's auditor in advance of the financial year-end. At this stage, matters for audit focus are discussed and agreed. These matters are given particular attention during the audit process and, among other matters, are reported on by the auditor in their report to the Committee. This report is considered by the Committee and discussed with the auditors and the Manager prior to approval and signature of the financial statements.

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

Internal Financial and Non-Financial Controls

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

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

As stated above, the Board meets regularly, at least five times a year, and reviews financial reports and performance against revenue forecasts, stock market indices and the Company's peer group. In addition, the Manager and Custodian maintain their own systems of internal controls and the Board and Audit Committee receive regular reports from the Manager's Internal Audit and Compliance Departments. Formal reports are also produced on the internal controls and procedures in place for secretarial and administrative, custodial, investment management and accounting activities and are

reviewed annually by the Board. The programme of reviews is set up by the Manager and the reports are not necessarily directed to the affairs of any one client of the Manager.

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

Internal Audit Function

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

Auditor's Non-audit Services

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

The Management Engagement Committee

The Board is considered small for the purposes of the AIC Code and all Directors are members of the Management Engagement Committee. The Chairman of the Committee is Bryan Lenygon. The Management Engagement Committee has written terms of reference which clearly define its responsibilities and duties. The terms of reference were reviewed and updated in January 2007 to ensure compliance with the AIC Code. They will be available for inspection at the AGM and can be inspected at the Registered Office of the Company. The Committee meets annually to review the investment management agreement with the Company's Manager and to review the services provided by the Manager.

A statement of Invesco Asset Management Limited's responsibilities as Manager and Administrator of the Company and the assessment of the Investment Manager by the Management Engagement Committee can be found on page 25.

Relations with Shareholders

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

There is regular dialogue between the Fund Manager and individual major shareholders to discuss aspects of investment performance, governance and strategy and to listen to shareholder views in order to help to develop a balanced understanding of their issues and concerns. General presentations to both institutional shareholders and analysts follow the publication of the annual results. All meetings between the Fund Manager and institutional and other shareholders are reported to the Board.

It is the intention of the Board that the annual financial report be issued to shareholders so as to provide twenty working days' notice of the AGM. Shareholders wishing to lodge questions in advance of the AGM are invited to do so, either on the reverse of the proxy card or in writing to the Company Secretary at the address given on page 16. At other times the Company responds to letters from shareholders on a range of issues.

Shareholders can also visit the Manager's investment trust website:

www.invescoperpetual.co.uk/investmenttrusts in order to access copies of annual and half-yearly financial reports, shareholder circulars, interim management statements, Company factsheets and

CORPORATE GOVERNANCE

continued

Stock Exchange Announcements. Shareholders can also access various Company reviews and information such as an overview of UK equities and the Company's share price. Finally, shareholders are able to access copies of the Schedule of Matters Reserved for the Board and the Terms of Reference of the Committees of the Board and, following any shareholders' general meetings, proxy voting results.

Institutional Voting

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

DIRECTORS' RESPONSIBILITY STATEMENT in respect of the preparation of the Annual Financial Report

The Directors are responsible for preparing the Annual Financial Report in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice. The financial statements are required by law to give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

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

The Directors, to the best of their knowledge, state that:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and loss of the Company; and
- the Report of the Directors 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 are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

David Hinde

Chairman

Signed on behalf of the Board of Directors

19 June 2008

Electronic Publication

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

REPORT OF THE INDEPENDENT AUDITOR

to the members of Invesco Asia Trust plc

We have audited the financial statements (the 'financial statements') of Invesco Asia Trust plc for the year ended 30 April 2008, which comprise the income statement, the reconciliation of movements in shareholders' funds, the balance sheet, the cash flow statement, and notes 1 to 19. These financial statements have been prepared under the accounting policies set out therein. We have also audited the information in the Directors' Remuneration Report that is described as having been audited.

This report is made solely to the Company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditor

The Directors' responsibilities for preparing the Annual Financial Report, the Directors' Remuneration Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Directors' Responsibility Statement.

Our responsibility is to audit the financial statements and the part of the Directors' Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Report of the Directors is consistent with the financial statements. The information given in the Report of the Directors includes that specific information presented in the Chairman's Statement and the Manager's Report that is cross referenced from the Company Business section of the Report of the Directors.

In addition we report to you if, in our opinion, the Company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding Directors' remuneration and other transactions is not disclosed.

We review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Financial Services Authority, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read other information contained in the Annual Financial Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Financial Information and Performance Statistics, the Chairman's Statement, the Manager's Report, the Classification of Investments, the Investments in Order of Valuation, the Report of the Directors, the unaudited part of the Directors' Remuneration Report and the Corporate Governance Statement. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Directors' Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Directors' Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Directors' Remuneration Report to be audited.

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the Company as at 30 April 2008 and of its return for the year then ended;
- the financial statements and the part of the Directors' Remuneration Report to be audited have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Report of the Directors is consistent with the financial statements.

Grant Thornton UK LLP

Chartered Accountants and

Registered Auditor

London

19 June 2008

INCOME STATEMENT

FOR THE YEAR ENDED 30 APRIL

	NOTES	2008			2007		
		REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL RETURN £'000	REVENUE RETURN £'000	CAPITAL RETURN £'000	TOTAL RETURN £'000
Gains on investments	9	–	17,239	17,239	–	9,623	9,623
Gains/(losses) on foreign currency revaluation		–	50	50	–	(160)	(160)
Income	2	3,247	–	3,247	2,816	–	2,816
Investment management fee	3	(250)	(750)	(1,000)	(208)	(624)	(832)
Other expenses	4	(441)	(30)	(471)	(419)	(46)	(465)
Return before finance costs and taxation		2,556	16,509	19,065	2,189	8,793	10,982
Finance costs	5	(120)	(361)	(481)	(95)	(285)	(380)
Return on ordinary activities before tax		2,436	16,148	18,584	2,094	8,508	10,602
Tax on ordinary activities	6	(674)	182	(492)	(660)	267	(393)
Net return on ordinary activities after tax for the financial year		1,762	16,330	18,092	1,434	8,775	10,209
Return per ordinary share:							
Basic	7	1.8p	16.2p	18.0p	1.3p	8.3p	9.6p

The total column of this statement represents the Company's profit and loss account prepared in accordance with the accounting policies detailed in note 1 to the financial statements. The supplementary revenue and capital columns are both prepared under guidance published by the Association of Investment Companies. All items in the above statement derive from continuing operations and the Company has no other gains or losses, therefore no Statement of Total Recognised Gains and Losses is presented. No operations were acquired or discontinued in the year.

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

FOR THE YEAR ENDED 30 APRIL

	SHARE CAPITAL £'000	SHARE PREMIUM ACCOUNT £'000	CAPITAL REDEMP- TION RESERVE £'000	SPECIAL RESERVE £'000	CAPITAL RESERVE – REALISED £'000	CAPITAL RESERVE – UNREALISED £'000	REVENUE RESERVE £'000	TOTAL £'000
FOR THE YEAR ENDED 30 APRIL 2007								
At 30 April 2006	10,596	74,588	650	25,796	(28,357)	21,727	2,209	107,209
Net return for the year	–	–	–	–	7,101	1,674	1,434	10,209
Final dividend	–	–	–	–	–	–	(1,272)	(1,272)
At 30 April 2007	10,596	74,588	650	25,796	(21,256)	23,401	2,371	116,146
FOR THE YEAR ENDED 30 APRIL 2008								
Net return for the year	–	–	–	–	21,963	(5,633)	1,762	18,092
Final dividend	–	–	–	–	–	–	(1,378)	(1,378)
Shares bought back and cancelled	(1,213)	–	1,213	(13,998)	–	–	–	(13,998)
At 30 April 2008	9,383	74,588	1,863	11,798	707	17,768	2,755	118,862

The accompanying notes are an integral part of these financial statements

BALANCE SHEET

AT 30 APRIL

	NOTES	2008 £'000	2007 £'000
Fixed assets			
Investments held at fair value	9	120,155	123,057
Current assets			
Debtors	10	555	527
Cash at bank		1,123	1,360
		1,678	1,887
Creditors: amounts falling due within one year	11	(2,858)	(8,749)
Net current liabilities		(1,180)	(6,862)
Total assets less current liabilities		118,975	116,195
Provisions	12	(113)	(49)
Total net assets		118,862	116,146
Capital and reserves			
Share capital	13	9,383	10,596
Share premium account	14	74,588	74,588
Other reserves:			
Capital redemption reserve	14	1,863	650
Special reserve	14	11,798	25,796
Capital reserve – realised	14	707	(21,256)
Capital reserve – unrealised	14	17,768	23,401
Revenue reserve	14	2,755	2,371
Total Shareholders' funds		118,862	116,146
Net asset value per ordinary share			
Basic	15	126.7p	109.6p

These financial statements were approved and authorised for issue by the Board of Directors on 19 June 2008.

David Hinde

Chairman

Signed on behalf of the Board of Directors

The accompanying notes are an integral part of these financial statements

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 APRIL

	NOTES	2008 £'000	2007 £'000
Cash inflow from operating activities	16(a)	979	1,021
Servicing of finance	16(b)	(483)	(382)
Taxation		(206)	(179)
Capital expenditure and financial investment	16(b)	20,299	34
Dividends paid	8	(1,378)	(1,272)
<hr/>			
Net cash inflow/(outflow) before management of liquid resources and financing		19,211	(778)
Management of liquid resources	16(b)	412	(468)
Financing	16(b)	(19,498)	1,200
<hr/>			
Increase/(decrease) in cash in the year		125	(46)
<hr/>			
Reconciliation of cash flow to movement in net debt			
Increase/(decrease) in cash in the year		125	(46)
Cash outflow/(inflow) from movement in debt		5,500	(1,200)
Cash (inflow)/outflow from (decrease)/increase in liquid resources		(412)	468
<hr/>			
Change in net debt resulting from cash flows		5,213	(778)
Translation differences		50	(160)
<hr/>			
Movement in net debt in the year		5,263	(938)
Net debt at beginning of year		(6,640)	(5,702)
<hr/>			
Net debt at end of year	16(c)	(1,377)	(6,640)

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2008

1. Accounting Policies

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

(a) Basis of Preparation

- (i) **Accounts Basis**
The financial statements have been prepared under the historical cost convention, except for the measurement at fair value of investments, and in accordance with applicable United Kingdom Accounting Standards and with the Statement of Recommended Practice ('SORP') 'Financial Statements of Investment Trust Companies' issued by the Association of Investment Companies in 2005.
- (ii) **Going Concern**
The Company's Articles of Association require that, unless the AGM of the Company to be held in 2010 approves an ordinary resolution releasing the Directors from the obligation, the Directors shall convene an Extraordinary General Meeting in 2011 at which a special resolution will be proposed to wind up the Company. The Board intends to propose the necessary resolution at the AGM in 2010 to seek release from the obligation to wind up the Company and the financial statements have therefore been drawn up on the going concern basis.
- (iii) **During the year the Company adopted FRS 29 'Financial Instruments: Disclosure'**. FRS 29 replaces FRS 25 and enhances the previous disclosures required by FRS 26. The impact of this adoption has been to expand disclosures provided in the financial statements (see note 19). There has been no effect on the Company's reported results or financial position.

(b) Investments

As the Company's business is investing in financial assets with a view to profiting from their total return in the form of interest, dividends or increases in fair value and the portfolio of investments is managed and its performance evaluated on a fair value basis, in accordance with documented investment strategy, with information about the portfolio provided on that basis to the Company's Directors, investments are designated as being at fair value through profit or loss and measured at fair value on initial recognition. Investments are accounted for on the date they are traded.

Investments, designated at fair value through profit or loss, are measured at subsequent reporting dates at fair value, which is the bid price. Gains and losses on revaluation are taken to the income statement.

Foreign securities' values are translated at the exchange rates ruling at the close of business on the balance sheet date.

The Company's policy is to capitalise transaction costs on acquisition and the profit or loss on disposal is calculated net of transaction costs. Details of transaction costs are disclosed in note 9(c).

(c) Income

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

(d) Expenses and finance costs

All expenses and finance costs are accounted for on an accruals basis and are charged through revenue in the income statement except that investment management fees and finance costs are allocated 25% to revenue and 75% to capital in line with the Board's long-term expectation of revenue and capital returns from the Company's investment portfolio.

NOTES TO THE FINANCIAL STATEMENTS

continued

(e) 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.

(f) Taxation

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

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

(g) Foreign currency

The Company is required to nominate a functional currency, being the currency in which the Company predominately operates. The Company has decided that sterling is the most appropriate functional currency, which is also the currency in which these accounts are presented.

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.

(h) Financial instruments

Financial assets and liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The Company offsets financial assets and financial liabilities if it has a legally enforceable right to set off the recognised amounts and intends to settle on a net basis. Financial assets are derecognised when the contractual right to the instrument ceases. Financial liabilities are derecognised when the Company settles the obligations.

(i) Capital reserves

The following are recognised in the income statement, allocated to capital and then transferred to the following reserves:

Capital reserve – realised

- gains and losses on the realisation of investments
- realised exchange gains and losses of a capital nature
- expenses and finance costs, net of attributable tax relief, allocated to capital in accordance with the above policies
- custodian transaction charges

Capital reserves – unrealised

The following are transferred to this reserve:

- fair value gains and losses on investments held at the year-end

2. Income

	2008 £'000	2007 £'000
Income from investments		
UK dividends	19	18
Overseas dividends	2,817	2,636
Scrip dividends	385	151
Total dividend income	3,221	2,805
Other income		
Deposit interest	26	11
Total income	3,247	2,816

3. Investment management fee

	2008			2007		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Investment management fee	250	750	1,000	208	624	832

Details of the investment management and secretarial agreement are given on page 25 in the Report of the Directors.

4. Other expenses

	2008			2007		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
General expenses (i)	312	30	342	306	46	352
Directors' emoluments (ii)	104	–	104	85	–	85
Auditor's remuneration (iii):						
for audit of the financial statements	19	–	19	19	–	19
for other services relating to taxation	6	–	6	9	–	9
	441	30	471	419	46	465

- (i) General expenses include a separate fee paid to the Manager for secretarial and administrative services which is subject to annual adjustment in line with the UK Retail Price Index. During the year the Company paid £69,000 (2007: £66,000) for these services.
- (ii) Directors' emoluments are currently authorised by the Articles of Association up to a total amount of £150,000 per annum.
- (iii) Auditor's remuneration is shown net of VAT.

5. Finance costs

	2008			2007		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
Overdraft interest	1	2	3	1	2	3
Interest on term loan repayable within 1 year, not by instalment	119	359	478	94	283	377
	120	361	481	95	285	380

NOTES TO THE FINANCIAL STATEMENTS

continued

6. Tax on ordinary activities

(a) Analysis of charge for the year

	2008			2007		
	REVENUE £'000	CAPITAL £'000	TOTAL £'000	REVENUE £'000	CAPITAL £'000	TOTAL £'000
United Kingdom tax:						
Corporation tax at 30% (2007: 30%)	131	–	131	304	–	304
Tax relief attributable to management fee and interest, allocated to capital reserve – realised	394	(394)	–	267	(267)	–
Overseas tax	230	–	230	187	–	187
Relief for overseas tax	(145)	–	(145)	(103)	–	(103)
Overseas capital gains tax	–	212	212	–	–	–
Current tax charge for the year	610	(182)	428	655	(267)	388
Deferred tax	64	–	64	5	–	5
Tax on ordinary activities	674	(182)	492	660	(267)	393

The overseas tax charge consists of irrecoverable withholding tax.

(b) Factors affecting the revenue tax charge for the year

	2008 £'000	2007 £'000
Revenue on ordinary activities before taxation	2,436	2,094
Theoretical tax at UK Corporation tax rate of 30% (2007: 30%)	731	628
Effects of:		
UK dividends not taxable	(6)	(5)
Expenses charged to capital and available for tax relief:		
– current year	(332)	(245)
– previous year	(31)	–
Tax relief charged to capital	394	267
Effect of overseas tax	85	84
Marginal relief	(21)	(12)
Income not assessable	(210)	(78)
Expenses not allowed	–	16
Current tax charge for the year	610	655

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) Deferred tax

	2008 £'000	2007 £'000
Analysis of the charge for the year:		
Balance brought forward	49	44
Charge for the year	64	5
Balance carried forward (see note 12)	113	49

7. Return per ordinary share

The revenue, capital and total return per ordinary share is based on each applicable return on ordinary activities after tax and on 100,690,977 (2007: 105,962,425) ordinary shares, being the weighted average number of shares in issue throughout the year.

8. Dividends

	2008 £'000	2007 £'000
Dividend on shares:		
Ordinary dividend paid of 1.3p per share (2007: 1.2p)	1,378	1,272

We set out below the total dividend payable in respect of the financial year, which is the basis on which the requirements of Section 842 Income and Corporation Taxes Act 1988 are considered.

	2008 £'000	2007 £'000
Dividend on shares:		
Ordinary dividend proposed of 1.5p per share (2007: 1.3p)	1,408	1,378

9. Investments held at fair value through profit or loss

All investments are listed.

(a) Analysis of investments gains:

	2008 £'000	2007 £'000
Opening book cost	99,656	91,374
Opening unrealised appreciation	23,401	21,727

Opening valuation	123,057	113,101
Movements in the year:		
Purchases at cost	101,026	88,383
Sales – proceeds	(121,167)	(88,050)
– realised gains on sales	22,872	7,949
Movement in unrealised appreciation during the year	(5,633)	1,674

Closing valuation	120,155	123,057

Closing book cost	102,387	99,656
Closing unrealised appreciation	17,768	23,401

	120,155	123,057

Realised gains based on historical cost	22,872	7,949
Amounts recognised as unrealised in the previous year	(14,334)	(2,963)

Realised gains based on carrying value at previous balance sheet date	8,538	4,986

Movement in unrealised appreciation in the year	(5,633)	1,674
Less: amounts recognised in the previous year	14,334	2,963

Net movement in unrealised appreciation	8,701	4,637

Gains on investments	17,239	9,623

NOTES TO THE FINANCIAL STATEMENTS

continued

(b) Registration of investments

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

(c) Transaction costs

The total transaction costs of £721,000 (2007: £566,000) included in gains and losses on investments relate to £271,000 (2007: £254,000) on purchases and £450,000 (2007: £312,000) on sales.

10. Debtors

	2008 £'000	2007 £'000
Amounts due from brokers	28	193
Taxation	133	77
VAT recoverable	7	51
Prepayments and accrued income	387	206
	555	527

11. Creditors: amounts falling due within one year

	2008 £'000	2007 £'000
Short-term loan	2,500	8,000
Amounts due to brokers	–	392
Accruals and deferred income	341	357
Taxation	17	–
	2,858	8,749

The Company has an unsecured revolving credit facility of £15 million which is due for review in August 2008. At the year-end the interest rate was 5.55% p.a. (2007: 5.81%).

12. Provisions

	2008 £'000	2007 £'000
Deferred tax in respect of timing differences on accrued income	113	49

13. Share capital

	2008 £'000	2007 £'000
Authorised:		
150,000,000 ordinary shares of 10p each	15,000	15,000
Allotted, called-up and fully paid:		
93,837,425 (2007: 105,962,425) ordinary shares of 10p each	9,383	10,596

During the year the Company bought back the following ordinary shares:

	NUMBER	£'000
As at 1 May 2007	105,962,425	10,596
Shares bought back and cancelled	(12,125,000)	(1,213)
At 30 April 2008	93,837,425	9,383

Details of share buy back movements for the year are given in the Report of the Directors.

Winding-up provisions

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

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

14. Reserves

	SHARE PREMIUM ACCOUNT £'000	CAPITAL REDEMP- TION RESERVE £'000	SPECIAL RESERVE £'000	CAPITAL RESERVE – REALISED £'000	CAPITAL RESERVE – UNREALISED £'000	REVENUE RESERVE £'000
At 30 April 2007	74,588	650	25,796	(21,256)	23,401	2,371
Net gains on realisation of investments	–	–	–	8,538	–	–
Increase in unrealised appreciation	–	–	–	–	8,701	–
Transfer on disposal of investments	–	–	–	14,334	(14,334)	–
Costs charged to capital	–	–	–	(1,141)	–	–
Tax charged to capital	–	–	–	(212)	–	–
Shares bought-back and cancelled	–	1,213	(13,998)	–	–	–
Exchange differences on capital items	–	–	–	50	–	–
Tax effect of capital items	–	–	–	394	–	–
Revenue return for the year	–	–	–	–	–	1,762
Dividend paid for 2007	–	–	–	–	–	(1,378)
At 30 April 2008	74,588	1,863	11,798	707	17,768	2,755

The capital redemption reserve arises from the nominal value of shares bought back and cancelled and is non-distributable.

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

The capital reserve – unrealised records changes in the fair value of investments. In accordance with guidance set out in Technical Release 01/08 issued by the Institute of Chartered Accountants in England and Wales, as the Company's investments are readily convertible into cash, these revaluation gains and losses are deemed to be realised in nature, and thus distributable. However, under the terms of the Company's Articles of Association, sums standing to the credit of the capital reserves, both realised and unrealised, are non-distributable.

15. Net asset value

The net asset value per ordinary share and the net assets attributable at the year-end were as follows:

	NET ASSET VALUE PER SHARE		NET ASSETS ATTRIBUTABLE	
	2008 PENCE	2007 PENCE	2008 £'000	2007 £'000
Ordinary shares – Basic	126.7	109.6	118,862	116,146

The basic net asset value per ordinary share is based on the net assets at the year-end and on 93,837,425 (2007: 105,962,425) ordinary shares, being the number of ordinary shares in issue at the year-end.

NOTES TO THE FINANCIAL STATEMENTS

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16. Notes to the cash flow statement

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

	2008 £'000	2007 £'000
Total return before finance costs and taxation	19,065	10,982
Scrip dividends received as income	(385)	(151)
Increase in debtors	(145)	(33)
Decrease in creditors	(16)	(19)
Overseas tax deducted from unfranked investment income	(251)	(295)
Adjustment for gains on investments	(17,239)	(9,623)
Adjustment for (gains)/losses on currency revaluation	(50)	160
Net cash inflow from operating activities	979	1,021

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

	2008 £'000	2007 £'000
Servicing of finance		
Interest paid on bank loans and overdrafts	(483)	(382)
Net cash outflow from servicing of finance	(483)	(382)

	2008 £'000	2007 £'000
Capital expenditure and financial investment		
Purchase of investments*	(101,033)	(88,447)
Sale of investments	121,332	88,481
Net cash inflow for capital expenditure and financial investment	20,299	34

*Includes scrip dividends received as income.

	2008 £'000	2007 £'000
Management of liquid resources		
Cash recalled/(placed) from/(on) short-term deposit	412	(468)
Net cash inflow/(outflow) from management of liquid resources	412	(468)

The Company treats term deposits as liquid resources.

	2008 £'000	2007 £'000
Financing		
Bank debt	(5,500)	1,200
Shares bought back and cancelled	(13,998)	–
Net cash (outflow)/inflow from financing	(19,498)	1,200

(c) Analysis of net debt

	30 APRIL 2007 £'000	CASH FLOW £'000	EXCHANGE MOVEMENT £'000	30 APRIL 2008 £'000
Net cash:				
Cash at bank	892	125	50	1,067
Cash placed on short-term deposit	468	(412)	–	56
Debt due within one year	(8,000)	5,500	–	(2,500)
Net debt	(6,640)	5,213	50	(1,377)

17. Contingent liabilities

As at 30 April 2008 there were no contingent liabilities (2007: nil).

18. Related party transactions

Invesco Asset Management Limited, a wholly owned subsidiary of Invesco Limited, acts as Manager and Secretary to the Company. Details of IAML's services and fees are given in note 3. Full details of Directors' interests are set out on page 26 in the Report of the Directors.

19. Risk management, financial assets and liabilities

The Company's financial instruments comprise its investment portfolio (as shown on pages 13 and 14), cash, loan, debtors and creditors that arise directly from its operations such as sales and purchases awaiting settlement and accrued income. The accounting policies in note 1 include criteria for the recognition and the basis of measurement applied for financial instruments. Note 1 also includes the basis on which income and expenses arising from financial assets and liabilities are recognised and measured.

Risk Management Policies and Procedures

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

As an investment trust the Company invests in equities and other investments for the long-term so as to meet its investment objective and policies. In pursuing its investment objective, the Company is exposed to a variety of risks that could result in either a reduction in the Company's net assets or a reduction of the profits available for dividends. Those related to financial instruments include market risk, liquidity risk and credit risk.

The main risk that the Company faces arising from its financial instruments is market risk – this risk is reviewed in detail below. Since the Company invests mainly in quoted investments traded on recognised stock exchanges, liquidity risk and credit risk are significantly mitigated. Liquidity risk is minimised as the majority of the Company's investments comprise a diversified portfolio of readily realisable securities which can be sold to meet funding commitments as necessary. In addition, the loan provides for additional funding flexibility. Credit risk encompasses the failure by counterparties to deliver securities which the Company has paid for, or to pay for securities which the Company has delivered. This risk is minimised by using only approved counterparties.

Market Risk

The fair value or future cash flows of a financial instrument may fluctuate because of changes in market prices. This market risk comprises three elements – currency risk, interest rate risk and other price risk. The Company's Manager assesses the Company's exposure when making each investment decision, and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis. The Board meets at least quarterly to assess risk and review investment performance, as disclosed in the Board Responsibilities on page 32. Gearing is used to enhance returns, however, this will also increase the Company's exposure to market risk and volatility.

1. Currency Risk

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

Management of the Currency Risk

The Manager monitors the Company's exposure to foreign currencies on a daily basis and reports to the Board on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS

continued

Forward currency contracts can be used to limit the Company's exposure to anticipated future changes in exchange rates which are used also to achieve the portfolio characteristics that assist the Company in meeting its investment objective and policies. All contracts are limited to currencies and amounts commensurate with the asset exposure to those currencies. At the year-end there were no foreign exchange contracts outstanding (2007: none).

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

Currency Exposure

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

COUNTRY	YEAR ENDED 30 APRIL 2008			INVESTMENTS		TOTAL NET FOREIGN CURRENCY £'000
	DEBTORS (DUE FROM BROKERS AND DIVIDENDS) £'000	CASH AT BANK £'000	CREDITORS (DUE TO BROKERS AND ACCRUALS) £'000	FOREIGN CURRENCY EXPOSURE ON NET MONETARY ITEMS £'000	AT FAIR VALUE THROUGH PROFIT OR LOSS THAT ARE EQUITIES £'000	
Australia	–	–	–	–	12,323	12,323
China	27	–	–	27	5,908	5,935
Hong Kong	190	–	–	190	31,941	32,131
Indonesia	–	–	–	–	2,071	2,071
South Korea	28	–	–	28	16,738	16,766
Malaysia	3	–	–	3	2,805	2,808
Philippines	–	–	–	–	2,830	2,830
Singapore	159	–	–	159	11,159	11,318
Thailand	–	–	–	–	816	816
Taiwan	–	1,065	–	1,065	18,029	19,094
USA	–	–	–	–	–	–
India	–	–	–	–	12,253	12,253
UK	8	58	(2,841)	(2,775)	3,282	507
	415	1,123	(2,841)	(1,303)	120,155	118,852

COUNTRY	YEAR ENDED 30 APRIL 2007			INVESTMENTS		TOTAL NET FOREIGN CURRENCY £'000
	DEBTORS (DUE FROM BROKERS AND DIVIDENDS) £'000	CASH AT BANK £'000	CREDITORS (DUE TO BROKERS AND ACCRUALS) £'000	FOREIGN CURRENCY EXPOSURE ON NET MONETARY ITEMS £'000	AT FAIR VALUE THROUGH PROFIT OR LOSS THAT ARE EQUITIES £'000	
Australia	–	2	–	2	12,669	12,671
China	50	–	–	50	9,558	9,608
Hong Kong	6	–	–	6	25,910	25,916
Indonesia	–	–	–	–	1,408	1,408
South Korea	24	–	–	24	20,594	20,618
Malaysia	–	–	–	–	8,133	8,133
Philippines	–	–	–	–	3,937	3,937
Singapore	22	–	–	22	15,735	15,757
Thailand	6	–	–	6	1,427	1,433
Taiwan	–	1,059	–	1,059	13,063	14,122
USA	69	–	(166)	(97)	–	(97)
India	–	–	–	–	8,431	8,431
UK	222	299	(8,583)	(8,062)	2,192	(5,870)
	399	1,360	(8,749)	(6,990)	123,057	116,067

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

Currency Sensitivity

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

It assumes the following changes in exchange rates:

	2008	2007
	%	%
£/Australian \$	+/- 0.1	+/- 7.2
£/Chinese Reminbi	+/- 2.7	+/- 5.7
£/Hong Kong \$	+/- 4.9	+/- 0.7
£/Indonesian Rupiah	+/- 6.4	+/- 0.0
£/South Korea Won	+/- 3.9	+/- 3.1
£/Malaysian Ringgot	+/- 1.9	+/- 4.7
£/Philippines Peso	+/- 0.6	+/- 6.9
£/Singapore \$	+/- 2.7	+/- 6.5
£/Thailand Baht	+/- 0.9	+/- 5.4
£/Taiwan \$	+/- 6.5	+/- 5.2
£/US\$	+/- 4.6	+/- 0.5
£/Indian Rupee	+/- 0.4	+/- 1.3

These percentages have been determined based on the market volatility in exchange rates in the previous year. The sensitivity analysis is based on the Company's monetary foreign currency financial instruments held at each balance sheet date and takes account of forward foreign exchange contracts that offset the effects of changes in currency exchange rates.

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

	2008			2007		
	REVENUE RETURN	CAPITAL RETURN	TOTAL PROFIT/ (LOSS) AFTER TAX	REVENUE RETURN	CAPITAL RETURN	TOTAL PROFIT/ (LOSS) AFTER TAX
Australia	-	(18)	(18)	(22)	(846)	(868)
China	(1)	(157)	(158)	(5)	(512)	(517)
Hong Kong	(37)	(1,506)	(1,543)	(4)	(170)	(174)
Indonesia	(2)	(124)	(126)	-	-	-
South Korea	(11)	(635)	(646)	(10)	(614)	(624)
Malaysia	(3)	(51)	(54)	(5)	(364)	(369)
Philippines	-	(16)	(16)	-	(253)	(253)
Singapore	(9)	(294)	(303)	(17)	(962)	(979)
Thailand	(1)	(7)	(8)	(6)	(73)	(79)
Taiwan	(17)	(1,097)	(1,114)	(15)	(651)	(666)
USA	(6)	-	(6)	(1)	-	(1)
India	-	(54)	(54)	(1)	(110)	(111)
	(87)	(3,959)	(4,046)	(86)	(4,555)	(4,641)

NOTES TO THE FINANCIAL STATEMENTS

continued

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

	2008			2007		
	REVENUE RETURN	CAPITAL RETURN	TOTAL PROFIT/ (LOSS) AFTER TAX	REVENUE RETURN	CAPITAL RETURN	TOTAL PROFIT/ (LOSS) AFTER TAX
Australia	–	18	18	25	977	1,002
China	1	166	167	5	574	579
Hong Kong	41	1,663	1,704	4	172	176
Indonesia	3	140	143	–	–	–
South Korea	12	687	699	11	653	664
Malaysia	3	53	56	6	400	406
Philippines	–	17	17	–	290	290
Singapore	9	310	319	19	1,096	1,115
Thailand	1	7	8	6	81	87
Taiwan	19	1,249	1,268	17	723	740
USA	7	–	7	1	–	1
India	–	55	55	1	113	114
	96	4,365	4,461	95	5,079	5,174

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.

2. Interest Rate Risk

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

Financing has been available during the year in the form of an unsecured revolving credit facility of £15 million (2007: £15 million) provided by ING Bank on their variable rates of interest.

At the year-end drawings on the Company's unsecured revolving credit facility were £2.5 million (2007: £8 million). At the maximum possible gearing of £15 million, the effect of a +/- 0.5% in the interest rate would result in an decrease or increase to the Company's income statement of £75,000.

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

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 return that he can.

Management of Other Price Risk

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

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

If the value of the portfolio fell by 10% at the balance sheet date, the profit after tax for the year would decrease by £12 million (2007: £12.3 million). If the value of the portfolio rose by 10%, the profit after tax would increase by £12 million (2007: £12.3 million).

Fair values of financial assets and financial liabilities

The fair values of the financial assets and financial liabilities are either carried in the balance sheet at their fair value (investments), or the balance sheet amount is a reasonable approximation of fair value (due from brokers, dividends receivable, accrued income, due to brokers, accruals, cash at bank and loan).

Capital Management

The Company's capital is as disclosed in the balance sheet and is managed on a basis consistent with its investment objective and policy, as disclosed in the Report of the Directors' on pages 18 and 19. The principal risks and their management are disclosed above.

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of Invesco Asia Trust plc will be held at 30 Finsbury Square, London EC2A 1AG, on Wednesday, 6 August 2008 at 12 noon for the following purposes:

Ordinary Business

1. To receive the Report of the Directors and financial statements for the year ended 30 April 2008.
2. To declare a final dividend as recommended.
3. To approve the Directors' Remuneration Report.
4. To re-appoint the Auditor and authorise the Directors to determine their remuneration.
5. To re-elect Mr Robin Baillie a Director of the Company.
6. To re-elect Mr Bryan Lenygon a Director of the Company.
7. To re-elect Sir Robin McLaren a Director of the Company.

Special Business

To consider the following resolutions which will be proposed as Special Resolutions:

8. THAT:
 - (a) the Directors be generally and unconditionally authorised pursuant to and in accordance with Section 80 of the Companies Act 1985 to exercise for the period ending on the date of the next Annual General Meeting of the Company, all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £938,374;
 - (b) pursuant to and during the period of the authority referred to in paragraph (a) above the Directors be empowered pursuant to Section 95 of the Companies Act 1985 to allot equity securities wholly for cash, (i) in connection with a rights issue, and (ii) otherwise than in accordance with a rights issue up to an aggregate nominal amount of £938,374 as if Section 89(1) of the said Act, relating to pre-emption rights, did not apply to any such allotments;
 - (c) by such authority and power the Directors may during such period make offers or agreements which would or might require the making of allotments after the expiry of such period;
 - (d) for the purposes of this resolution, words and expressions defined in or for the purposes of Part IV of the said Act shall bear the same meaning in this resolution;
 - (e) for the purposes of this resolution, (i) 'rights issue' means an offer of equity securities open for acceptance for a period fixed by the Directors to holders on the register on a fixed record date of ordinary shares in proportion to their respective holdings but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory, and (ii) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights.
9. THAT:

the Company be generally and subject as hereinafter appears unconditionally authorised in accordance with Section 166 of the Companies Act 1985 (the 'Act') to make market purchases (within the meaning of Section 163 of the Act) of its issued Shares of 10p each in the capital of the Company ('Shares').

PROVIDED ALWAYS THAT:

 - (i) the maximum number of shares hereby authorised to be purchased shall be 14,066,230 or 14.99% of shares in issue;
 - (ii) the minimum price which may be paid for a Share shall be 10p;

- (iii) the maximum price which may be paid for a Share shall be an amount equal to 105% of the average of the middle market quotations for a Share taken from and calculated by reference to the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Share is purchased;
- (iv) any purchase of Shares will be made in the market for cash at prices below the prevailing net asset value per Share (as determined by the Directors);
- (v) the authority hereby conferred shall expire at the conclusion of the Annual General Meeting of the Company in 2009 unless the authority is renewed at any other general meeting prior to such time;
- (vi) the Company may make a contract to purchase Shares under the authority hereby conferred prior to the expiry of such authority which will be executed wholly or partly after the expiration of such authority and may make a purchase of Shares pursuant to any such contract; and
- (vii) any shares so purchased shall be cancelled or, if the Directors so determine and subject to the provisions of the Companies (Acquisition of Own Shares) (Treasury Shares) Regulations 2003 (as amended) and any applicable regulations of the United Kingdom Listing Authority, be held (or otherwise dealt with in accordance with Section 162D of the Companies Act 1985) as Treasury Shares.

10. THAT:

As described in the Report of the Directors on page 24 and in the Explanatory Notes to the Notice of Annual General Meeting on pages 58 and 59:

10.1

That the Articles of Association produced to the Meeting and initialled by the Chairman for the purpose of identification as New Articles 'A' be adopted as the Articles of Association of the Company in substitution for, and to the exclusion of, the existing Articles of Association.

10.2

That with effect from 00.01 a.m. on 1 October 2008, the new Articles of Association adopted pursuant to paragraph 10.1 be amended by the insertion of new article 101.8, such amendment being produced to the Meeting and initialled by the Chairman for the purpose of identification as New Articles 'B'.

To consider the following resolution which will be proposed as an Ordinary Resolution:

11. THAT:

the following Objective, Investment Policy and Risk, and Investment Limits be approved:

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

Investment Policy and Risk

Invesco Asia Trust plc invests primarily in the equity securities of companies listed in the stockmarkets of China, Hong Kong, India, Malaysia, Singapore, South Korea, Taiwan, Thailand and Australasia. It may also invest in unquoted securities up to 10% of the value of the Company's gross assets and in warrants and options when it is considered the most economical means of achieving exposure to an asset.

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

NOTICE OF ANNUAL GENERAL MEETING

continued

Investment limits

The Board has prescribed limits on the investment policy, among which are the following:

- Exposure to any one company (excluding investment trusts) may not exceed 10% of total assets.
- Individual and combined exposure to group-related companies may not exceed 10% and 15% respectively of total assets.
- The Company may not invest more than 10% of total assets in collective investment funds.
- The Company may not invest more than 10% in aggregate in unquoted investments.
- The Company may invest in warrants and options, up to a maximum of 10% of total assets. Other derivative instruments are not permitted.

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

For all the above limits, the Company's total assets are taken as at time of acquisition.

Gearing

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

For an explanation of all Special Business please refer to the Chairman's Statement on pages 4 and 5 and the Report of the Directors on pages 23 to 25.

Explanatory Notes to Special Resolution 10 in the Notice of Annual General Meeting

Special Resolution 10 with subsections 10.1 and 10.2: Adoption of new Articles of Association

It is proposed in Resolution 10 to adopt new Articles of Association (the '**New Articles**') in order to update the Company's current Articles of Association (the '**Current Articles**'), primarily to take account of changes in English company law brought about by the Companies Act 2006.

The principal changes introduced in the New Articles are summarised below. Other changes, which are of a minor, technical or clarifying nature and other changes which merely reflect changes made by the Companies Act 2006 have not been noted below. The New Articles showing all of the changes to the Current Articles are available for inspection at the Registered Office of the Company as well as 15 minutes prior to and during the AGM.

1. Articles which duplicate statutory provisions

Provisions in the Current Articles which replicate provisions contained in the Companies Act 2006 (the '**2006 Act**') are in the main amended to bring them into line with the 2006 Act. Certain examples of such provisions include provisions as to the variation of class rights and provisions regarding the period of notice required to convene general meetings. The main changes made to reflect this approach are detailed below.

2. Form of resolution

The Current Articles contain a provision that, where for any purpose an ordinary resolution is required, a special or extraordinary resolution is also effective and that, where an extraordinary resolution is required, a special resolution is also effective. This provision is being amended, as the concept of extraordinary resolutions has not been retained under the 2006 Act.

The Current Articles enable members to act by written resolution. Under the Companies Act 2006 public companies can no longer pass written resolutions. These provisions have therefore been removed in the New Articles.

3. Variation of class rights

The Current Articles contain provisions regarding the variation of class rights. The proceedings and specific quorum requirements for a meeting convened to vary class rights are contained in the 2006 Act. The relevant provisions have therefore been amended in the New Articles.

4. Convening extraordinary and annual general meetings

The provisions in the Current Articles dealing with the convening of general meetings and the length of notice required to convene general meetings are being amended to conform to new provisions in the 2006 Act. In particular, an extraordinary general meeting to consider a special resolution can be convened on 14 days' notice whereas previously 21 days' notice was required.

5. **Votes of members**

Under the 2006 Act, proxies are entitled to vote on a show of hands whereas under the Current Articles proxies are only entitled to vote on a poll. The 2006 Act also entitles proxies to speak. Multiple proxies may be appointed provided that each proxy is appointed to exercise the rights attached to a different share held by the shareholder. Multiple corporate representatives may be appointed. The New Articles reflect these new provisions.

6. **Directors' indemnities and loans to fund expenditure**

The 2006 Act has in some areas widened the scope of the powers of a company to indemnify directors and to fund expenditure incurred in connection with certain actions against directors. In particular, the existing exemption allowing a company to provide money for the purpose of funding a director's defence in court proceedings now expressly covers regulatory proceedings and applies to associated companies.

7. **Joint holders**

In order to make the flow of information more efficient between the Company and joint shareholders, the Articles are being amended so that where there are joint shareholders, anything agreed or specified with the Company by any one joint shareholder will have been deemed to have been agreed or specified with the Company by all the joint shareholders.

8. **Provision for executive directors, pensions and employees**

As the Company has no employees or executive directors, the provisions in the Current Articles relating to a) the appointment of, remuneration of and powers of executive directors, b) the power of the Company to award pensions and other allowances, and c) employees, have all been deleted.

Provisions coming into effect on 1 October 2008

9. **Conflicts of interest**

The 2006 Act sets out directors' general duties which largely codify the existing law but with some changes. Changes relating to conflicts of interest come into effect on 1 October 2008 and it is not possible to reflect them in the Company's Articles of Association until the new legislation is in force. Under the 2006 Act, from 1 October 2008 a director must avoid a situation where he has, or can have, a direct or indirect interest that conflicts, or possibly may conflict with the company's interests. The requirement is very broad and could apply, for example, if a director becomes a director of another company or a trustee of another organisation. The 2006 Act allows directors of public companies to authorise conflicts and potential conflicts, where appropriate, where the articles of association contain a provision to this effect. The 2006 Act also allows the articles of association to contain other provisions for dealing with directors' conflicts of interest to avoid a breach of duty. The New Articles, as proposed to be altered with effect from 1 October 2008, give the Directors authority to approve such situations and to include other provisions to allow conflicts of interest to be dealt with in a similar way to the current position.

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

It is also proposed that the New Articles should contain provisions relating to confidential information, attendance at Board meetings and availability of Board papers to protect a Director being in breach of duty if a conflict of interest or potential conflict of interest arises. These provisions will only apply where the position giving rise to the potential conflict has previously been authorised by the Directors. It is the Board's intention to report annually on the Company's procedures for ensuring that the Board's powers of authorisation of conflicts are operated effectively and that the procedures have been followed.

Dated this 19 June 2008

By order of the Board

Invesco Asset Management Limited

Secretary

NOTICE OF ANNUAL GENERAL MEETING

continued

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. In order to be valid an appointment of proxy must be returned by one of the following methods:
 - In hard copy form by post, by courier or by hand to the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4BR; 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 does not prevent a member from attending and voting at this meeting. To be effective, the form of appointment of proxy, duly completed and executed, together with any power of attorney or other authority under which it is signed (or notarially certified copy thereof) must be lodged at the office of the Company's registrars, Capita Registrars, Proxy Department, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4BR, by not later than 12 noon on 4 August 2008.
4. A person entered on the Register of Members on 4 August 2008 ('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. There are no service contracts between the Directors and the Company.
6. The Register of Directors' interests, the Articles of Association of the Company 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.
7. In order to facilitate voting by corporate representatives at the AGM, arrangements will be put in place at the meeting so that (i) if a corporate shareholder has appointed the Chairman of the meeting as its corporate representative with instructions to vote on a poll in accordance with the directions of all of the other corporate representatives for that shareholder at the meeting then on a poll those corporate representatives will give voting directions to the Chairman and the Chairman will vote (or withhold a vote) as corporate representative in accordance with those directions; and (ii) if more than one corporate representative for the same corporate shareholder attends the meeting but the corporate shareholder has not appointed the Chairman of the meeting as its corporate representative, a designated corporate representative will be nominated, from those corporate representatives who attend, who will vote on a poll and the other corporate representatives will give voting directions to that designated corporate representative. Corporate shareholders are referred to the guidance issued by the Institute of Chartered Secretaries and Administrators on proxies and corporate representatives – <http://www.icsa.org.uk> – for further details of this procedure. The guidance includes a sample form of representation letter if the

Chairman is being appointed as described in (i) above.

8. Any person to whom this notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a '**Nominated Person**') may have a right, under an agreement between him/her and the member by whom he/she was nominated, to be appointed (or to have someone else appointed) as a proxy for the meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right, under such an agreement, to give instructions to the member as to the exercise of voting rights.

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

9. 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.
10. As at 19 June 2008 (being the last practicable day prior to the publication of this Notice) the Company's issued share capital consisted of 93,837,425 ordinary shares of 10p each carrying one vote each.

GLOSSARY OF TERMS

Benchmark

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

Discount

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

Gearing

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

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

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

Market Capitalisation

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

Net Asset Value ('NAV')

Also described as shareholders' funds, the net asset value is the value of total assets less liabilities. Liabilities for this purpose include current and long-term liabilities. The net asset value per share is calculated by dividing the net asset value by the number of ordinary shares in issue.

Shareholders' Funds

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

Total Expense Ratio

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

Winding-up Date

The date specified in the Articles of Association for winding-up a company.



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

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

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

Invesco is one of the largest independent global investment management firms, with funds under management in excess of \$480 billion.*

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

* Funds under Management as at 30 April 2008.

SPECIALIST FUNDS MANAGED BY INVESCO PERPETUAL

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

Perpetual Income and Growth Investment Trust plc

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

Keystone Investment Trust plc

Aims to provide shareholders with long-term growth of capital mainly from UK investments. The Trust is geared by way of debenture stocks.

Invesco Income Growth Trust plc

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

Invesco Perpetual Select Trust plc – UK Equity Share Portfolio

Aims to generate long-term capital and income growth with real growth in dividends from investment, primarily, in the UK equity market. The portfolio is geared by bank debt.

Invesco Perpetual Select Trust plc – Managed Liquidity Share Portfolio

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

Invesco Property Income Trust Limited

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

City Merchants High Yield Trust plc

Aims to generate a high level of income from a variety of fixed income and/or equity instruments combined with a high degree of security. The Trust is geared by bank debt.

Invesco Leveraged High Yield Fund Limited

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

Invesco Perpetual Recovery Trust 2011 plc

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

Investing in Smaller Companies

Invesco English and International Trust plc

Invests mainly in smaller companies quoted on the main London Stock Market and in stocks quoted on the Alternative Investment Market (AIM). It pursues a relatively risk-averse stock selection strategy holding a well-diversified portfolio and seeks to invest in companies offering particular value. The Trust has adopted a flexible gearing policy and a quarterly redemption/creation mechanism.

Invesco Perpetual UK Smaller Companies Investment Trust plc

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

Investing Internationally

Invesco Asia Trust plc

Aims to provide long-term capital growth by investing in a diversified portfolio of Asian and Australasian securities. The Company aims to achieve growth in its net asset value in excess of the Morgan Stanley Capital International All Country Asia Pacific ex Japan Index, measured in sterling. The Trust is geared by bank debt.

Invesco Perpetual Select Trust plc – Global Equity Share Portfolio

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

Perpetual Japanese Investment Trust plc

Aims to achieve long-term capital growth by investing in a diversified portfolio of quoted Japanese securities. The Trust is geared by bank debt.

Investing for Absolute Returns

Invesco Perpetual European Absolute Return Trust plc

Aims to achieve absolute total returns through investment principally in equity, fixed interest and cash securities within continental Europe (ex. UK). Seeks to achieve returns in excess of sterling LIBOR.

Invesco Perpetual Select Trust plc – Hedge Fund Share Portfolio

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

Investing in Multiple Asset Classes

Invesco Perpetual Select Trust plc

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

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

Other

Invesco Perpetual AiM VCT plc

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

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

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