

INVESCO Asia Trust plc

(Registered Number 3011768)

Report and Accounts
Financial Year Ended
30 April 2000



Investment policy

INVESCO Asia Trust plc invests primarily in the equity securities of companies listed in the stockmarkets of Hong Kong, South Korea, Malaysia, Singapore, Taiwan and Thailand and also in the securities of Australasian companies. 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.

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.

Management approach and personnel

Further details of INVESCO's approach to the management of Asian company portfolios and of the management team are given in the Managers' Report on pages 6 to 8.

Share Capital

The Company's share capital consists of 106,961,992 ordinary shares and 22,157,917 warrants to subscribe for ordinary shares at a price of 100p per share.

ISA and PEP Eligibility

The ordinary shares of the Company are eligible for investment via an ISA and are fully qualifying under PEP regulations. For further details of schemes offered by INVESCO see page 14.

Glossary

There is a glossary of terms on page 37 which defines some of the technical references used in the report.

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Financial Information Performance Statistics

Terms marked † are defined in the Glossary on page 37

	At 30 April 2000	At 30 April 1999	% change
Capital			
Net assets (£'000)	97,054	81,911	+18.5
Potential gearing†	103	100	
Net asset value† per ordinary share	87.47p	72.84p	+20.1
Mid-market price per ordinary share	67p	61p	+9.8
Discount† per ordinary share	23.4%	16.3%	
MSCI (All Country) Far East ex Japan Free Index (adjusted for Sterling)	187.01	166.12	+12.6
Revenue			
Gross income (£'000)	1,390	2,187	-36.4
Net revenue available for ordinary shares (£'000)	392	1,225	-68.0
Total expense ratio†	1.2%	0.9%	
Total Return per ordinary share			
Revenue return	0.35p	1.09p	
Capital return	13.82p	10.21p	
Total return	14.17p	11.30p	

Historical Record

Year	Revenue				Capital		
	Gross income £'000	Net revenue available for ordinary shares £'000	Dividends on ordinary shares Cost £'000	Rate p	Net assets £'000	Net asset value per ordinary share p	Mid-market price per ordinary share p
To 30 April							
1996	1,802	860	673	0.60	130,938	116.70	111.0
1997	2,313	915	731	0.65	120,695	107.35	98.0
1998	2,341	1,194	922	0.82 ⁽¹⁾	70,253	62.47	50.5
1999	2,187	1,225	1,057	0.94 ⁽²⁾	81,911	72.84	61.0
2000 ⁽³⁾	1,390	392	695	0.65	97,054	87.47	67.0

The above results are extracted from the Company's full accounts which carry unqualified Auditors' Reports.

⁽¹⁾ Ordinary dividend 0.65p and special dividend 0.17p.

⁽²⁾ Ordinary dividend 0.65p and special dividend 0.29p.

⁽³⁾ During the year, 1,500,000 ordinary shares were repurchased leaving 110,961,992 ordinary shares in issue at the year end.

Chairman's Statement

The year under review was characterised by significant crosscurrents in global financial markets. Particularly notable was the global Technology-Media-Telecommunications ("TMT") euphoria, but strong global economic growth and rising interest rates in Europe and the United States were also important influences. Asian equity market performance was greatly distorted by the dominance of the TMT stocks, some of which reached extreme valuations. The subsequent correction, which started in April 2000, has brought an element of reality back into stockmarkets.

Your Company has taken a relatively cautious approach to the momentum-driven sectors and has maintained a broadly based portfolio throughout the period. As a consequence, we have been able to build steadily on the recovery in shareholder returns reported last year. Net assets per share have increased from 72.8p at the beginning of the year to 87.5p at 30 April 2000, an increase of 20.1%. This compares with the 12.6% rise in our benchmark index, the MSCI (All Country) Far East ex Japan Free Index, adjusted for sterling, over the same period.

Drawings under our £10 million multi-currency loan facility have fluctuated throughout the year and were maximised during February and early March 2000 but then partially repaid, ending the financial year at £3.06 million. Gearing levels were therefore somewhat variable throughout the year and at the year end were 103.15.

Disappointingly, the growth in net asset value has not been reflected in the price at which your Company's ordinary shares have traded, with the result that the discount widened to a level above that of the average of other investment trusts in our sector. To avoid an overhang of stock in the market, which would only have increased discount levels if left unchecked, your Board exercised the authority conferred by shareholders last year and purchased in the market a total of 1,500,000 ordinary shares for cancellation. Following the financial year

end a further 4,000,000 ordinary shares were acquired for cancellation. On each occasion shares were purchased at prices reflecting a substantial discount to net asset value thereby benefiting ongoing shareholders.

Dividends

Income has been significantly lower this year than last. This results from our move towards a fully invested position during the year in the light of our growing confidence in Asian equity markets. The combination of a lower level of income and increased expenses, predominantly management fees as asset values improved, has meant that the net revenue available for distribution is well below that of the previous year. Nonetheless, your Board has resolved to recommend maintaining the dividend at 0.65p per share. If approved by shareholders, payment of this dividend will necessitate drawing on revenue reserves to the extent of £323,000. Shareholders should note, however, that in future years only the net revenue of that current year will be considered for distribution to shareholders as dividend.

Outlook

In the opinion of your Directors and Managers, Asian markets are currently undergoing a mid-cycle correction and the longer-term upward trend is set to continue. The Asian economies are recovering from the currency crises, and financial vulnerability has substantially reduced. The recovery is expected to broaden at a later stage to the benefit of the domestic demand-driven sectors. Longer-term growth prospects are expected to be driven by outsourcing of electronics manufacturing, further privatisation of government enterprises and a recovery of domestic demand. Additionally, a soft landing for the US economy is achievable and the US should therefore continue to drive demand for exports from the Asian region.

Chairman's Statement — *Continued*

Against the current deterioration in sentiment in global equity markets, interesting growth opportunities continue to emerge in the region.

Annual General Meeting

As Special Business of the Annual General Meeting two resolutions will be proposed as Special Resolutions. First, your Directors are seeking renewal of the authority to issue new ordinary shares of the Company. This will allow the Directors flexibility to issue new shares within prescribed limits in a shorter period than would otherwise be the case. The powers authorised will not be exercised at an issue price below net asset value per share so that the interests of existing shareholders are not diluted. Second, your Directors wish to renew the authority to buy-back up to 14.9% of the Company's issued ordinary shares. Acquisitions under this authority will be subject to the restrictions referred to in the Notice of Annual General Meeting and will only be made at market prices below the prevailing net asset value.

I look forward to meeting you at the Annual General Meeting when there will be a presentation by Alfred Ho, the investment manager, who will speak about the Company's performance and prospects, followed by an opportunity to meet informally over refreshments after the meeting.



Robin Baillie
Chairman

12 June 2000

Managers' Report

About the Managers

Personnel

INVESCO Asia Trust plc is managed by INVESCO Asset Management Limited (INVESCO). Day-to-day management is the responsibility of Alfred Ho, who is Chief Investment Officer of INVESCO Asia and head of the Asian Regional Strategy Team which forms part of the 27 strong Asia Investment Team. Alfred Ho has been with INVESCO for 8 years. The head of the Asian Investment Team is Anna Tong who has been with INVESCO for 15 years and is Managing Director and head of investment in Hong Kong.

Investment Process

INVESCO's Asia Pacific ex Japan Equity investment process combines the Group's global insights on the macro-economic climate and valuations, with a substantial presence in the Asia Pacific region to conduct research and manage portfolios locally.

The principal features of INVESCO's investment process are as follows:

- A regional management focus for investing in the markets of Hong Kong, China, Singapore, Malaysia, Thailand, Indonesia, the Philippines, Taiwan, South Korea, India, Australia and New Zealand.
- A team approach rather than the "star fund manager" system.
- An active growth style with a valuation bias.
- A disciplined methodology combining both top-down and bottom-up research.
- Research designed to identify unrecognised change in companies or in the environment in which they operate.
- Superior and consistent performance, relative both to benchmarks and to our peers, without taking unnecessary risks.
- Emphasis upon risk management and compliance with client objectives and guidelines.

Management Agreement

The Managers are appointed under the terms of an agreement dated 2 June 1995, subsequently revised on 14 July 1997, between INVESCO Asia Trust and INVESCO, whereby INVESCO will provide investment management and secretarial services and will carry out general administration of INVESCO Asia Trust. The appointment continues until terminated by either party upon expiry of not less than one year's written notice. Fees, payable by INVESCO Asia Trust quarterly in arrears on 31 January, 30 April, 31 July and 31 October in each year, are calculated at the rate of 0.75% per annum by reference to the total gross assets of the Company at the end of each calendar quarter.

Market Review

The period under review was marked by considerable volatility in global markets. Up until April 2000, Asian markets were dominated by the exceptionally significant outperformance of the tech-media-telecom (TMT) related sectors, even against tightening global free liquidity. The import of the global TMT phenomenon drove the so-called "New Economy" related sectors to extreme valuations, overshadowing the relative performance of the industrial cyclicals which enjoyed a strong cyclical upturn. "Old Economy" and the peripheral markets stocks were sold to make room for further investments in the momentum-driven "New Economy" sectors. Market breadth remained extremely narrow and in certain larger markets was restricted to a mere 1-2 large stocks.

Central banks in the US and Europe started tightening interest rates after the Y2K event to reign in excessive liquidity, but global growth, especially in the US, continued to surprise on the upside. The impact of tightening liquidity initially caused a sharp pull back of the "Old

Economy" sectors but did not trigger the correction of the overvalued TMT sectors until April.

Performance

During the period under review, the NAV rose 20.1%; against the 12.6% rise in the MSCI (All Country) Far East ex Japan Free Index adjusted for sterling. The Trust was overweight in South Korea and Taiwan at the expense of Hong Kong. Cash was maintained at normal levels. Overall, the more balanced portfolio disadvantaged performance during the period relative to the sector, as the performance divergence between the TMT sectors and the rest was very significant. Furthermore, our exposure in the peripheral markets did not add value.

Portfolio Strategy

The strategy for the Trust is to capture unrecognised growth stocks with reasonable valuations which are expected to outperform. On a sector level, the portfolio is currently invested mainly in companies in the technology-hardware manufacturing, wireless telecommunication and selective banking sectors. The industrial cyclical companies in the portfolio will benefit from firm product pricing in a cyclical upturn, but their long-term growth prospects will be limited by the lack of capacity expansion so careful stock selection is necessary. The portfolio is underweight in property companies which are likely to have difficulty in outperforming structurally in a low inflation environment.

Tech-hardware manufacturing – Overweight

The higher return on equity provided by the internet "builders" implies higher barriers for entry, thus providing a longer production cycle. Outsourcing from the US, Europe and Japan on semiconductors, personal computers and telecommunication peripherals should continue on a secular basis. We like foundry companies in Taiwan such as TSMC due to increasing outsourcing by independent manufacturers (IDMs) and

the current tight supply situation. We like memory chips (DRAMs) producers in the region, such as Samsung Electronics, due to stronger product pricing on limited supply. Capital expansion for DRAMs declined in 1997 and 1998 during the last downturn. We also like companies in contract and components manufacturing such as Venture Manufacturing in Singapore and Samsung Electronic Mechanics in South Korea.

Wireless Telecommunication – Overweight

Wireless data transmission provides a new revenue source for existing Telecom operators. We like Hutchison Whampoa in Hong Kong for its exposure in the wireless area and its 3G exposure in both domestic and overseas markets. Hutchison's proven management track record is expected to command a premium. We also like Korea Telecom and SK Telecom in South Korea due to their advanced involvement in data transmission.

Banks – Neutral

Asia is currently experiencing a creditless recovery. The degearing of companies has resulted in weak demand for funds. Exporters with strong cash flow now rely much less on bank financing. Quality banks have therefore focused primarily on consumer lending and competition is intensifying. However, the broadening out of the current economic recovery is not yet sufficient to kick-start a new credit cycle, especially for those banking sectors which depend more on the domestic property market such as Hong Kong and Singapore. Fee income as a percentage of total revenue is not significant enough to drive higher growth. However, we like selected banks in Singapore and South Korea, which are more likely to consolidate and so reduce their cost base.

Industrial Cyclical – Underweight

Product prices should remain firm given limited capacity and strong global demand. Asian industrial cyclical have become very competitive globally after

Manager's Report — Continued

the currency devaluations in 1997 and 1998. However, the fact that there has been minimal capital investment will constrain their long-term growth. The reliance on industrial cyclicals for the peripheral stock markets is higher than in South Korea and Taiwan.

Property – Underweight

Historically, Asian property companies derived their abnormally high profits through capital appreciation on their land banks. As Asia has entered a low inflationary period (deflationary in Hong Kong), the return on equity for developers is structurally lower. Developers should not be trading on the previous discounts to net asset values but more on underlying earnings growth. For property investors, unless they trade their investment portfolios, the return on rentals is unattractive.

Outlook

The US economy is likely to achieve a soft landing. The current sell-off in global equity markets is mainly a reaction to excessive valuation. The strength of US domestic demand and strengthening international economies should support the current global economic upswing. While the US economy remains robust with abundant liquidity, overall spending in the US economy will start decelerating when the broad money and credit growth rates slow down. Part of the Y2K related surge in liquidity has already been pulled back. Inflation is drifting up but a significant resurgence of the inflationary cycle is unlikely. The Federal Reserve will continue to raise interest rates until real GDP growth slows down to a longer-term sustainable growth rate of around 3.5-4.0%. Meanwhile, the growth in Europe and Asia remains strong.

Overall, growth in OECD countries will continue to sustain double-digit export growth for the Asian region. Asian economies should continue to see buoyant GDP growth, and should be more broadly-based than in 1999 as domestic demand stages a recovery. The current account surplus should stay

healthy but will come off its exceptional level achieved during the crisis.

Companies are still generating strong free cash flow and capital expenditure is much more disciplined. This is confirmed through weak credit creation by the banks and other financial institutions. The banking sector is flush with liquidity as reflected in the exceptionally low loan to deposit ratio. Sensitivity to US interest rates has reduced, due to the reduction in leverage and free floating exchange rates.

Contrary to the consensus view that Asian equity markets could de-couple from the US market, they have fallen in tandem – or underperformed – during the current sell-off, on renewed worries about a hard landing in the US economy, rising inflationary pressures and excessive valuations for TMT sectors. Sentiment has shifted from complacency to confusion on growth stocks in the region and investors are seeking shelter among the undervalued defensives. Amidst the concerns on growth, inflation and technology, we believe interesting opportunities are resurfacing in this mid-cycle correction. The Trust will take this opportunity to invest into quality growth stocks with reasonable valuations.



Alfred Ho
INVESCO Asset Management Limited

12 June 2000

Classification of Fixed Asset Investments
at 30 April

	2000		1999	
	At	% of	At	% of
	Valuation	Portfolio	Valuation	Portfolio
	£'000		£'000	
Australia				
Telecommunication Services	—	—	842	1.06
	—	—	842	1.06
China				
Energy	901	0.97	—	—
	901	0.97	—	—
Hong Kong				
Capital Goods	3,282	3.54	3,176	3.99
Consumer-Discretionary	1,316	1.42	—	—
Information Technology	2	—	—	—
Financials	19,281	20.82	18,704	23.52
Telecommunication Services	4,369	4.72	3,004	3.78
Utilities	—	—	2,362	2.96
	28,250	30.50	^ 27,246	34.25
India				
Collective Investment Fund	1,956	2.11	1,142	1.44
	1,956	2.11	1,142	1.44
Indonesia				
Consumer Staples	830	0.90	486	0.61
Financials	1,566	1.69	—	—
Telecommunication Services	—	—	604	0.76
	2,396	2.59	1,090	1.37
South Korea				
Materials	3,343	3.61	1,179	1.48
Capital Goods	—	—	724	0.91
Financials	2,055	2.22	9,055	11.38
Information Technology	13,410	14.47	2,820	3.54
Telecommunication Services	982	1.06	—	—
Utilities	1,781	1.92	1,700	2.14
	21,571	23.28	15,478	19.45
Malaysia				
Capital Goods	1,839	1.99	195	0.25
Consumer-Discretionary	1,952	2.11	984	1.24
Financials	—	—	730	0.92
Telecommunication Services	—	—	581	0.73
Utilities	12	0.01	1,938	2.44
	3,803	4.11	4,428	5.58

	2000		1999	
	At Valuation £'000	% of Portfolio	At Valuation £'000	% of Portfolio
New Zealand				
Telecommunication Services	—	—	839	1.05
	—	—	839	1.05
Philippines				
Capital Goods	685	0.75	1,319	1.66
Consumer-Discretionary	—	—	408	0.51
Telecommunication Services	1,164	1.26	745	0.94
	1,849	2.01	2,472	3.11
Singapore				
Capital Goods	—	—	1,231	1.55
Transportation	1,149	1.24	—	—
Consumer-Discretionary	1,371	1.48	1,683	2.12
Financials	4,478	4.84	8,814	11.08
Telecommunication Services	—	—	855	1.07
	6,998	7.56	12,583	15.82
Taiwan				
Materials	1,130	1.22	885	1.11
Capital Goods	—	—	337	0.42
Consumer-Discretionary	1,574	1.70	—	—
Collective Investment Fund	2,643	2.85	1,746	2.19
Financials	—	—	4,165	5.24
Information Technology	15,474	16.71	2,843	3.57
	20,821	22.48	9,976	12.53
Thailand				
Energy	—	—	546	0.69
Utilities	—	—	842	1.06
Financials	425	0.46	—	—
Information Technology	1,032	1.11	—	—
	1,457	1.57	1,388	1.75
Pan Asia				
Collective Investment Fund	2,614	2.82	547	0.69
	2,614	2.82	547	0.69
United Kingdom				
UK Gilt	—	—	1,509	1.90
	—	—	1,509	1.90
Total market value	92,616	100.00	79,540	100.00

Investments in Order of Valuation

at 30 April 2000

	At market value £'000	Principal activity	Country
Hutchison Whampoa	8,567	Conglomerate	Hong Kong
Cheung Kong Holdings	6,121	Property	Hong Kong
Samsung Electronic	5,888	Electrical & Electronics	South Korea
Taiwan Semiconductor	5,756	Electrical & Electronics	Taiwan
Cable & Wireless	4,369	Telecommunications	Hong Kong
Hyundai Electronics Industries	4,161	Electrical & Electronics	South Korea
Samsung Electro Mechanics	3,360	Electrical & Electronics	South Korea
INVESCO International Taiwan Growth Fund	2,643	Unit Trust	Taiwan
Sun Hung Kai Properties	2,523	Property	Hong Kong
Hon Hai Precision	2,459	Electrical & Electronics	Taiwan
Asustek Computer	2,168	Computer Hardware Manufacturer	Taiwan
Bank of East Asia	2,071	Banking	Hong Kong
LG Chemical	2,058	Chemical	South Korea
Kookmin Bank	2,056	Banking	South Korea
DBS Group Holdings	2,011	Property	Singapore
INVESCO Asianet Fund	1,965	Investment Fund	Pacific Rim
INVESCO India Growth Fund	1,956	Investment Fund	India
Tanjong	1,952	Leisure and Tourism	Malaysia
United Micro Electronics	1,912	Electrical & Electronics	Taiwan
United Engineers Berhad	1,839	Infrastructure	Malaysia
South Korea Electric Power	1,781	Utilities	South Korea
Citic Pacific	1,760	Conglomerate	Hong Kong
Acer Peripherals	1,666	Computer Hardware Manufacturer	Taiwan
Far East Textile	1,574	Textile	Taiwan
Lippo Bank	1,566	Banking & Finance	Indonesia
Cosco Pacific	1,522	Shipping and Container Leasing	Hong Kong
Synnex Tech International	1,513	Electrical & Electronics	Taiwan
Singapore Press	1,371	Broadcasting & Publishing	Singapore
Keppel Land Ltd	1,363	Property	Singapore
Li & Fung Ltd	1,315	Retail	Hong Kong
Pohang Iron & Steel	1,285	Metals & Steels	South Korea
Philippine Long Distance Telephone	1,164	Telecommunications	Philippines
Neptune Orient Lines	1,149	Shipping and Container Leasing	Singapore
Formosa Plastics	1,130	Plastics	Taiwan
DBS Land	1,105	Property	Singapore

	At market value £'000	Principal activity	Country
Shin Corporations Public Company	1,032	Information Technology Hardware	Thailand
South Korea Telecom	982	Telecommunications	South Korea
Petrochina	901	Chemical	China
H.M. Sampoerna	830	Beverages & Tobacco	Indonesia
First Philippine Holdings	685	Conglomerate	Philippines
Asia Pacific Ventures*	648	Investment Fund	Pacific Rim
Industrial Finance Corporation of Thailand	311	Banking & Finance	Thailand
Siam Commercial Bank	114	Banking & Finance	Thailand
YTL Corp	12	Construction & Housing	Malaysia
Sunevision Holdings	2	Technology	Hong Kong
Total value of investments	92,616		

*Unquoted security

Directors and Advisers

Directors

Robin Baillie (Chairman)

(Appointed 7 April 1995)

Aged 66, was a director of Standard Chartered PLC from 1983-1994 and managing director of Standard Chartered Merchant Bank Limited from 1977-1985. Currently he is a non-executive director of Henderson plc and Liberty International PLC. He is also a director of City Merchants High Yield Trust PLC, managed by INVESCO Private Portfolio Management Limited, and of other companies.

The Hon. Michael Benson

(Appointed 7 April 1995)

Aged 57, joined AMVESCAP in January 1994 and is Chief Executive Officer of the Global Division. He has worked in the investment management business for over 25 years. He is a director of AMVESCAP PLC, INVESCO Tokyo Trust plc and of INVESCO Japan Discovery Trust plc.

Bryan Lenygon

(Appointed 7 April 1995)

Aged 68, is a chartered accountant and a barrister. From 1975 to 1988 he was a director of Gartmore Investment Management Limited. He is chairman of Finsbury Technologies Trust plc and a director of several other investment trust companies.

Sir Robin McLaren

(Appointed 18 April 1995)

Aged 65, retired from the Diplomatic Service in 1994. Much of his career was spent in, or dealing with, the Far East, including postings as Ambassador to the Philippines (1985-1987) and China (1991-1994). He served three times in Hong Kong and held senior positions at the Foreign Office with Asia-wide responsibilities. He is also a director of Govett Asian Recovery Trust plc and Fidelity Asian Values plc.

Sir Michael Richardson

(Appointed 7 April 1995)

Aged 75, is Chairman of Mithras Limited and was formerly Vice-Chairman of Hawkpoint Partners Limited. He is also a director of The Rank Foundation and of other companies. He was previously Vice-Chairman of N M Rothschild & Sons Limited and Chairman of Smith New Court plc.

He is also chairman of INVESCO English and International Trust plc and a director of INVESCO Tokyo Trust plc.

Duncan Neil (known as Peter) Robertson

(Appointed 7 April 1995)

Aged 60, is the South East Asian Consultant to TT International Investment Management. He was a director of M&G Investment Management Limited from 1972-1995 and responsible for the Group's Far East Investments from 1971. He is also a director of Govett Asian Smaller Companies Investment Trust plc and China Assets (Holdings) Ltd.

Manager, Secretary, Custodian and Registered Office

INVESCO Asset Management Limited

11 Devonshire Square, London EC2M 4YR

Tel: 020 7626 3434

Secretarial contact: Alexandra Proudler

INVESCO Customer Services

INVESCO has a Customer Service Unit to help clients. Please feel free to take advantage of this expertise. Call Free on 0800 028 4050

Registered in England and Wales

Number 3011768

Registrars

IRG plc

Bourne House, 34 Beckenham Road
Beckenham, Kent BR3 4TU.

If you hold your shares directly and not through a savings scheme, ISA or PEP and have queries relating to your shareholding, you should contact the Registrars on 020 8639 2000.

Auditors

Chartered Accountants and Registered Auditors

PricewaterhouseCoopers

32 London Bridge Street London SE1 9SY

Stockbrokers

Cazenove & Co

12 Tokenhouse Yard, London EC2R 7AN

Savings Scheme Administrators

The Bank of New York Europe Limited

PO Box 23026, 12 Blenheim Place

Edinburgh EH7 5ZS

Tel: 0131 556 8555

ISA and PEP Administration

Cogent Investment Operations Limited

55 Moorgate, London EC2R 6PA

Tel: 020 7410 4594

Shareholder Information

The shares of INVESCO Asia Trust plc are quoted on the London Stockmarket in much the same way as securities of other companies such as Glaxo Wellcome and ICI. Purchases and sales can be arranged through a number of different organisations. Here are some examples:

Stockbroker; Bank; Share Shop; On-Line Dealing.

In addition to these routes, INVESCO Asia Trust plc is a member of the **INVESCO Investment Trust Savings Scheme**, the **INVESCO Investment Trust ISA** and the **Investment Trust PEP**. Shares in this Trust and most other Trusts managed by INVESCO can be purchased and sold via these schemes.

Investment through the INVESCO Investment Trust PEP continues to be available as a PEP transfer investment only.

INVESCO Investment Trust Savings Scheme

The INVESCO Investment Trust Savings Scheme allows an investor to make monthly contributions of £25 and above or to make lump sum purchases of £1,000 and above in the shares of INVESCO Asia Trust plc or any of the Trusts managed by INVESCO in a straightforward and low cost way.

For those investors who use professional advisers the Scheme allows for payment of 3% commission on lump sum purchases.

The INVESCO Investment Trust ISA

The INVESCO Investment Trust ISA is a Maxi ISA allowing investment of up to £7,000 in the tax year 2000/2001 (£5,000 thereafter). Investors are allowed to make monthly contributions of £50 and above or to make lump sum purchases of £1,000 and above in the shares of INVESCO Asia Trust or any of the Trusts managed by INVESCO.

For full details of these Investment Schemes contact Customer Services free on 0800 028 4050.

NAV Publication

The NAV is calculated by the Secretaries as at the close of business on Wednesday of each week and is notified to the Stock Exchange the next business day. The estimated NAV is published daily in the following newspapers.

Share Price Listings

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

Financial Times	Investment Companies
Daily Telegraph	Investment Trusts
Reuters	
ordinary shares	IAT.L
warrants	IATw/s.L
Topic	Page
ordinary shares	51394
warrants	51395
Internet addresses	
Trust net	www.trustnet.co.uk
Interactive Investor	www.iii.co.uk
INVESCO	www.invesco.co.uk/ investmenttrusts

The current share price can also be obtained by calling **0891 435229** (calls are charged at 60p per minute at all times).

Financial Calendar

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

Announcements

Interim unaudited results	December
Preliminary final results	June

Ordinary Share Dividends

Final payable	July
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Annual General Meeting

July

Year end

30 April

Location of Annual General Meeting

To be held at noon on Wednesday, 19 July 2000 at 11 Devonshire Square, London EC2M 4YR.

Report of the Directors

for the year ended 30 April 2000

Company's business

The business of the Company is that of an Investment Trust. The Inland Revenue has approved the Company as an Investment Trust for the purposes of Section 842 of the Income and Corporation Taxes Act 1988 for the year ended 30 April 1999 and this status is expected to continue. The Company is an investment company within the meaning of Section 266 of the Companies Act 1985.

During the financial year under review the Board has pursued the investment policy summarised on the inside front cover of this document. No significant changes are currently envisaged.

The Chairman's Statement appears on pages 4 and 5 and the Managers' Report on pages 6 to 8.

Revenue and Dividends	£'000
Net revenue after tax for the financial year	392
The recommended total dividend of 0.65p per ordinary share amounts to	695
Transfer from reserves	303

Subject to approval at the Annual General Meeting, the proposed final dividend of 0.65p per ordinary share will be payable on 21 July 2000 to shareholders registered on 23 June 2000.

Share valuations

On 30 April 2000 the mid-market price and the Net Asset Value per 10p ordinary share were 67p and 87.47p respectively. The comparable figures on 30 April 1999 were 61.0p and 72.84p. The Net Asset Value per ordinary share has been calculated on 110,961,992 (1999: 112,461,992) ordinary shares in issue at 30 April 2000 and net assets attributable to ordinary shareholders of £97,054,000 (1999: £81,911,000).

Directors' Power to Allot Shares

A special resolution will be proposed at the Annual General Meeting to renew the Directors authority to allot equity securities for cash otherwise than strictly pro rata to existing shareholders in the case of a rights issue and also otherwise than to existing shareholders up to a maximum of 5 per cent. of the present issued share capital. The Directors will, if necessary, use the authority primarily to satisfy demand from participants in the INVESCO Sharesave and Personal Equity Plans or ISAs when applicable. Under no circumstances would the Directors use the authority to dilute the interests of existing shareholders by issuing shares at a price less than the net asset value (which may be unaudited) attributable to the shares at the time of issue.

Share Buy-backs

The reduction of £30 million in the share premium account and the creation of a new special reserve of the same amount followed the approval by Shareholders at the Extraordinary General Meeting, held on 21 July 1999, of the Board's proposals in connection, inter alia, with the possible purchase by the Company of its own shares and was in accordance with the approval of the High Court on 1 September 1999. During the year 1,500,000 ordinary shares were repurchased at a price of 71p leaving 110,961,992 shares in issue at the year end. Since the year end a further 4,000,000 ordinary shares have been repurchased at a price of 66p leaving 106,961,992 ordinary shares in issue. A resolution to renew the authority to buy back shares will be proposed at the Annual General Meeting.

Substantial holdings in the Company

At 12 June 2000 the Company had been notified of the following holdings of 3 per cent. and over of the Company's capital carrying unrestricted voting rights:

	<i>Holding</i>	<i>%</i>
Co-operative Insurance Society Limited	11,315,696	10.6
Pearl Assurance plc (AMP)	5,626,412	5.3
British Aerospace Pension Funds	5,500,000	5.1
Bank of England Pension Fund	5,350,000	5.0
Derbyshire County Council	3,650,000	3.4

Directors

The present members of the Board, all of whom served throughout the year, are listed on page 13.

The Directors retiring by rotation are Mr Robin Baillie and The Hon Michael Benson who, being eligible, offer themselves for re-election.

No Director has a service contract with the Company.

Directors' interests

The beneficial interests of the Directors in the share capital of the Company at 30 April 2000 and 1999 are set out below:

<i>Ordinary shares</i>	<i>30 April 2000</i>	<i>30 April 1999</i>
Robin Baillie	5,000	5,000
The Hon. Michael Benson	—	—
Bryan Lenygon	—	—
Sir Robin McLaren (Lady McLaren)	4,500	4,500
Sir Michael Richardson	25,000	25,000
Peter Robertson	—	—

Warrants

Robin Baillie	5,000	5,000
Sir Michael Richardson	5,000	5,000

Save as aforesaid, no Director had any interest, beneficial or otherwise, in the shares or warrants of the Company during the period.

No changes in the above interests occurred between the year end and 12 June 2000.

The terms of the warrants are set out in note 12 on page 31.

Disclosable interests

The Hon. Michael Benson is a director of and shareholder in AMVESCAP PLC of which INVESCO Asset Management Limited is a wholly owned subsidiary.

Save as aforesaid, no Director was a party to or had an interest in any contract or arrangement with the Company at any time during the year.

Personal Equity Plan ("PEP") eligibility

The Company is a non-qualifying investment trust for PEP purposes and it is the intention of the Board to maintain this status.

Individual Savings Account ("ISA") eligibility

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

Report of the Directors

continued

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. The Company had no trade creditors at the year end (1999:Nil).

Year 2000 Issues

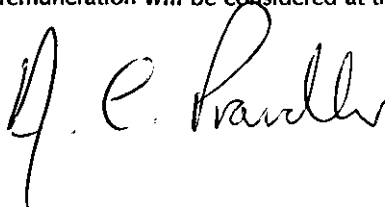
Neither the Manager nor any affiliated company throughout the AMVESCAP Group has experienced any difficulties with the Y2K transition. The costs of the Manager's year 2000 project have been borne by the Manager.

Auditors

A resolution proposing the re-appointment of PricewaterhouseCoopers as the Company's Auditors and authorising the Directors to determine their remuneration will be considered at the Annual General Meeting.

By order of the Board

INVESCO Asset Management Limited
Secretaries



12 June 2000

**For INVESCO Asset Management
Limited Secretaries**

Corporate Governance

Directors' Statement of Compliance with The Code of Best Practice

The Principles

The Combined Code on Corporate Governance was published in June 1998 and in September 1999 the guidance on Internal Control was issued. The Financial Services Authority Listing Rules require that the Company reports to shareholders on how it applies the principles of the Code. As Directors of INVESCO Asia Trust plc, we have considered the principles detailed in the Code and believe that, insofar as they are relevant to the Company's business, they are embodied in our conduct and stewardship of the Company's affairs. The Directors have reviewed the operations of the Company. No significant problems have been identified in this process and the Directors are satisfied that a sound system of internal control is built into the Company's business process. These control systems in operation are now being codified to facilitate the ongoing monitoring and management of risks faced by the Company and regular review by the Board. The Board has taken advantage of transitional arrangements as provided under the Financial Services Authority Listing Rules. It is expected that the process described above will be completed by the interim report stage.

The Company is committed to maintaining the highest standards of corporate governance. The Board is accountable to the Company's shareholders for governance of the Company's affairs and this statement describes how the relevant principles have been applied by the Company.

Directors

The Board consists of six non-executive Directors, of whom five are independent of the Company's Manager. The Hon. Michael Benson is Chief Executive Officer of INVESCO Global and a Director of AMVESCAP PLC, the parent company of the Company's Manager. Sir Michael Richardson is also a Director of INVESCO Tokyo Trust plc, an investment trust company managed by INVESCO Asset Management Limited. Robin Baillie is a Director of City Merchants High Yield Trust plc, an investment trust company managed by a fellow subsidiary company of the Company's Manager within the AMVESCAP Group. Brief biographical details of members of the Board appear on page 13.

All Directors are equally responsible under the law for the proper conduct of the Company's affairs. 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 best interests of creditors and suppliers to the Company are properly considered.

Chairman and Chief Executive Officer

The Chairman of the Company is Mr Robin A. M. Baillie. As the Company is an Investment Trust, it does not have a Chief Executive Officer.

Board Balance

All Directors are non-executive and have a range of business, financial or asset management skills or experience of Investment Trusts relevant to the direction of the Company.

Supply of Information

To enable the members of the Board to fulfil their roles, the Managers ensure that all Directors have timely access to all relevant management, financial and regulatory information. The Board meets regularly on a quarterly basis. Additional meetings are arranged as necessary. Regular contact is maintained by the Managers with the Board between formal meetings. The Board is responsible for the investment policy and operations of the Company and there is a formal schedule of matters reserved to it which is kept under regular review.

Appointment and Re-election

Directors are selected and appointed by the Board as a whole. There is no Nomination Committee as the Board is considered small for the purposes of the Code. No Director has a contract of employment with the Company. Under the Articles of Association, the Directors may, by notice in writing, remove any Director from the Board without notice or compensation. The Articles of Association provide that each Director shall retire at an Annual General Meeting every 3 years after appointment or (as the case may be) last reappointment and shall be eligible for re-election. On being appointed to the Board, Directors are fully briefed as to their responsibilities and updated throughout their term in office on industry and regulatory developments.

Directors' Remuneration

The Company is an Investment Trust and the Board are all non-executive Directors. The Company is therefore exempt from disclosing the Remuneration of the Directors under the Financial Services Authority Listing Rule 21.20(i).

Relations with Shareholders

Communications with shareholders are given a high priority by both the Board and the Managers. In addition to the interim report and the full annual Report and Accounts, the net asset value of the Company's ordinary shares is announced weekly to The Stock Exchange. There is regular dialogue with *individual institutional shareholders as well as general presentations to both institutional shareholders* and analysts at the time of the annual results. A full presentation is provided by the Managers in addition to the normal business of the Annual General Meeting. Shareholders and analysts are encouraged to attend and the results of the proxy votes for each resolution are announced at the meeting. There is an opportunity for individual shareholders to question the Chairman of the Board and the Chairman of the Audit and Management Engagement Committees at the Annual General Meeting.

The Report and Accounts are usually issued to shareholders so as to provide twenty working days' notice of the Annual General Meeting. Shareholders who wish to lodge questions in advance of the Annual General Meeting are invited to do so, either on the reverse of the proxy card or in writing to The Company Secretary at the address detailed on page 13. The Company responds to letters from individual shareholders on a range of issues.

Accountability and Audit

The Directors' responsibilities with regard to the financial statements are set out on page 21. The details for this financial year can be found in the Directors' report.

Internal Financial Controls

The Directors acknowledge that they are responsible for the Company's system of internal financial controls. The Board meets regularly and reviews investment performance against stock market indices and peer group investment trusts and financial returns against approved budgets and forecasts. In addition, the Manager and Custodian maintain their own systems of internal financial controls and the Board and the Audit Committee receive regular reports from the Internal Auditors and Compliance Officer of the Manager. Reports are also produced annually on the internal controls and procedures in place for the operation of custodial, investment management and accounting activities. These control systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Directors confirm that they have reviewed the effectiveness of the system of internal financial control that has been in operation over the year.

All Board members participate fully in the affairs of the Company on the basis of shared responsibility. However, Audit and Management Engagement Committees have been established.

The Audit Committee

The Board is supported by an Audit Committee consisting of all of the independent Directors. The Committee has written terms of reference which clearly define its responsibilities.

The Audit Committee meets at least twice a year to review the internal financial controls, accounting policies and the contents of the interim and annual reports to shareholders. In addition, the Committee reviews the adequacy and scope of the external audit, and compliance with regulatory and financial reporting requirements, with the Manager's Compliance Officers.

The Management Engagement Committee

The Board is also supported by a Management Engagement Committee whose membership is the same as that of the Audit Committee. The Committee has written terms of reference which clearly define its responsibilities and duties. The Committee meets annually to review the Investment Management Agreement with the Company's Managers.

The Company Secretary

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

There is an agreed procedure for the 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.

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.

Statement of Directors' Responsibilities

in respect of the preparation of financial statements

The Directors are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company at the end of the financial year and of the results for the year to that date. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Report of the Auditors to the Members of INVESCO Asia Trust plc

We have audited the financial statements on pages 23 to 34, which have been prepared under the historic cost convention as modified by the revaluation of fixed asset investments and the accounting policies set out on pages 26 and 27.

Respective Responsibilities of Directors and Auditors

The Directors are responsible for preparing the Annual Report. As described on page 21, this includes responsibility for preparing financial statements in accordance with applicable United Kingdom accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board, the Listing Rules of the Financial Services Authority and our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the United Kingdom Companies Act. We also report to you if, in our opinion, the Directors' report is not consistent with the financial statements, if 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 or the Listing Rules regarding Directors' remuneration and transactions is not disclosed.

We review whether the statement on pages 19 to 21 reflects the Company's compliance with the seven provisions of the Combined Code specified for our review by 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 to form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Audit Opinion

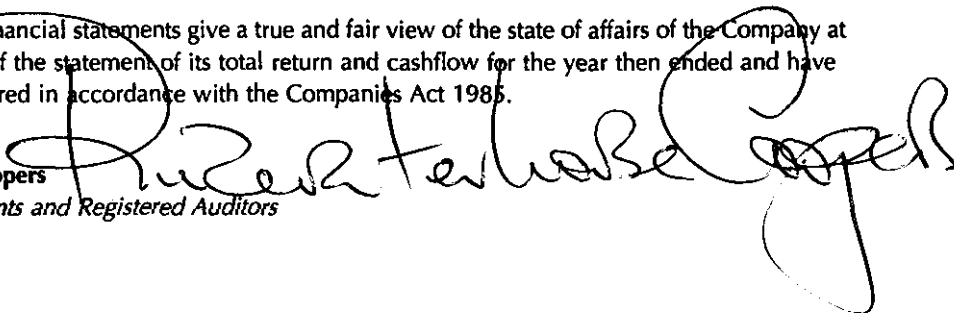
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company at 30 April 2000 and of the statement of its total return and cashflow for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

PricewaterhouseCoopers
Chartered Accountants and Registered Auditors
London
12 June 2000



Statement of Total Return (incorporating the revenue account)
for the year ended 30 April

		2000			1999		
	Notes	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	9	—	16,181	16,181	—	11,675	11,675
Income	2	1,390	—	1,390	2,187	—	2,187
Investment management fee	3	(177)	(532)	(709)	(119)	(357)	(476)
Losses on foreign currency revaluation		—	(86)	(86)	—	(49)	(49)
Other expenses	4	(461)	(22)	(483)	(265)	(27)	(292)
Net return before finance costs and taxation		752	15,541	16,293	1,803	11,242	13,045
Interest payable and similar charges	5	(76)	(228)	(304)	—	—	—
Return on ordinary activities before tax		676	15,313	15,989	1,803	11,242	13,045
Tax on ordinary activities	6	(284)	204	(80)	(578)	248	(330)
Return on ordinary activities after tax for the financial year		392	15,517	15,909	1,225	11,490	12,715
Dividend in respect of equity shares	7	(695)	—	(695)	(1,057)	—	(1,057)
Transfer (from) to reserves		(303)	15,517	15,214	168	11,490	11,658
Return per ordinary share:							
Basic	8	0.35p	13.82p	14.17p	1.09p	10.21p	11.30p

The revenue column of this statement is the profit and loss account of the Company. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

Reconciliation of Movement in Shareholders' Funds
for the year ended 30 April

	2000 £'000	1999 £'000
Revenue return for the year	(303)	168
Capital return for the year	15,517	11,490
Proceeds from liquidation of Drayton Far Eastern Trust	1,001	—
Shares purchased for cancellation	(1,072)	—
Net movement in Shareholders' funds	15,143	11,658
Opening Shareholders' funds	81,911	70,253
Closing Shareholders' funds	97,054	81,911

The accompanying notes are an integral part of this statement

Balance Sheet*at 30 April*

	Notes	2000 £'000	1999 £'000
Fixed assets			
Investments	9	92,616	79,540
Current assets			
Debtors	10	3,072	1,254
Cash at bank		5,451	2,917
		8,523	4,171
Creditors: amounts falling due within one year	11	4,085	1,800
Net current assets		4,438	2,371
Total assets less current liabilities		97,054	81,911
Capital and reserves			
Called up share capital	12	11,096	11,246
Share premium account	13	74,588	103,587
Other reserves			
Capital redemption reserve		150	—
Special reserve		28,928	—
Capital reserve – realised	13	(37,205)	(45,427)
Capital reserve – unrealised	13	18,989	11,694
Revenue reserve	13	508	811
Equity Shareholders' funds		97,054	81,911
Net asset value per Ordinary Share			
Basic	8	87.47p	72.84p
Fully-diluted (AIRC Basis)	8	89.55p	77.31p

These financial statements were approved by the Board of Directors on 13 June 2000.

Robin Baillie

Bryan Learygon

Signed on behalf of the Board of Directors

The accompanying notes are a integral part of this statement

Cash Flow Statement

for the year ended 30 April

	Notes	2000 £'000	1999 £'000
Cash flow from operating activities	14a	229	1,050
Servicing of finance	14b	(299)	—
Taxation	14b	338	25
Capital expenditure and financial investment	14b	420	(2,530)
Equity dividends paid		(1,057)	(922)
Cash (outflow) before management of liquid resources and financing		(369)	(2,377)
Management of liquid resources	14b	1,372	3,929
Financing	14b	2,989	—
Increase in cash		3,992	1,552

Reconciliation of cash flow to movement in net funds

	Notes	2000 £'000	1999 £'000
Increase in cash		3,992	1,552
Cash inflow from decrease in liquid resources		(1,372)	(3,929)
Cash inflow from increase in debt		(3,060)	—
Change in net funds resulting from cash flows		(440)	(2,377)
Translation difference		(86)	(49)
Movement in net funds in the year		(526)	(2,426)
Net funds at 1 May 1999		2,917	5,343
Net funds at 30 April 2000	14c	2,391	2,917

The accompanying notes are an integral part of this statement

Notes to the Financial Statements

for the year ended 30 April 2000

1. Accounting policies

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

(a) Basis of accounting

The accounts have been prepared under the historical cost convention modified to include the revaluation of fixed assets and in accordance with applicable Accounting Standards and with the Statement of Recommended Practice ("SORP") for "Financial Statements of Investment Trust Companies" issued by the Association of Investment Trust Companies.

(b) Valuation of investments

Listed investments comprise those quoted on a recognised Stock Exchange. These investments have been valued at middle market prices and for foreign securities at exchange rates ruling at the close of business on 30 April 2000.

Unlisted investments comprise holdings in two investment funds. These have been valued by reference to the net asset value of the funds, adjusted to reflect the non-marketability of such investments.

Any profits or losses (including currency movements), whether realised or unrealised, arising on fixed asset investments are taken direct to capital reserves.

(c) Income

All dividends and any related tax credits are taken into account on the date investments are marked ex-dividend (as described in note 6); other income from investments is taken into account on an accruals basis. Deposit interest receivable is taken into account on an accruals basis.

(d) Expenses

All expenses are accounted for on an accruals basis. The investment management fee has been allocated 75% to the capital reserve – realised and 25% to the revenue account, in line with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio of the Company.

(e) Finance

Finance costs are accounted for on an accruals basis, and in accordance with the provisions of Financial Reporting Standard 4 "Capital Instruments". Finance costs of debt, insofar as they relate to the financing of the Company's investments or to financing activities aimed at maintaining or enhancing the value of the Company's investments, are allocated 75% to capital reserve-realised and 25% to the revenue account, in line with the Board's expected long-term split of returns, in the form of capital gains and income respectively, from the investment portfolio of the Company.

(f) Taxation

Advance corporation tax ("ACT") on dividends paid during the year was written off except when recoverability was considered to be reasonably certain and foreseeable. In considering recoverability, debit balances arising in respect of ACT on dividends paid during the year were carried forward only to the extent that it was foreseen that they would be recovered against the tax liability of the current year or the subsequent year, having regard to projected dividend payments out of income for that subsequent year and the amount of any ACT likely to be paid, without being replaced by equivalent debit balances. At 30 April 2000, there was no provision for ACT in the balance sheet due to the abolition of ACT on 5 April 1999. The tax effect of different items of expenditure is allocated between capital and revenue on the same basis as for the particular item to which it relates, using the Company's effective rate of tax for the accounting period.

(g) Foreign currency

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 are taken to the capital reserve — realised.

(h) Capital reserves

Capital reserves — realised.

The following are accounted for in this reserve:

- gains and losses on the realisation of investments
- realised exchange differences of a capital nature
- expenses and finance costs, together with the related taxation effect, charged to this reserve in accordance with the above policies.

Capital reserve — unrealised.

The following are accounted for in this reserve:

- increases and decreases in the valuation of investments held at the year end.

2. Income

	2000 £'000	1999 £'000
Income from investments		
UK dividend income	—	19
Overseas dividends	1,278	1,305
Overseas fixed interest income	6	114
UK unfranked investment income	—	495
	1,284	1,933
Other income		
UK bank interest	106	254
	1,390	2,187
Total income	1,390	2,187
Total income comprises:		
Dividends	1,278	1,819
Interest	112	368
	1,390	2,187

Notes to the Financial Statements

continued

3. Investment management fee

	2000			1999		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Investment management fee	177	532	709	119	357	476

- (i) INVESCO Asset Management Limited acts as Manager and Secretary to the Company under an agreement dated 2 June 1995, subsequently revised on 14 July 1997. This agreement is terminable by one year's written notice subject to earlier termination as provided for therein. The fee is calculated at the rate of 0.75% per annum (plus VAT) by reference to the total gross assets of the Company at the end of each respective calendar quarter. The gross assets for this purpose exclude the value of any investment in other funds managed by the Manager. At 30 April 2000 £174,000 (1999: £150,000) was due to the Manager for payment in respect of management fees.
- (ii) The Manager also receives £55,000 per annum for secretarial and administrative services. At 30 April 2000 £14,000 (1999: £27,000) was due to the Manager for payment in respect of secretarial and administrative services.
- (iii) The Manager is responsible for the provision of custodial services to the Company. Such services are currently provided by a third party custodian. Charges incurred by the Manager for these services are recovered from the Company in full, with the exception of custody fees relating to UK investments which are borne by the Manager. During the year the Company was charged £95,000 (1999: £32,000) for such services, of which £54,000 (1999: £13,000) was accrued at the year end.
- (iv) The Manager charges a dealing fee per transaction of £60 for UK investments and £65 for overseas investments. This resulted in a charge of £22,000 (1999: £27,000) to capital in the year. At 30 April 2000 £13,000 (1999: Nil) was accrued as owing to the Manager.

4. Other expenses

	Revenue £'000	Capital £'000	2000 Total £'000	1999 Revenue £'000
General expenses	371	—	371	179
Aggregate directors' emoluments	68	—	68	68
Auditors' remuneration - for audit services	17	—	17	17
- for other services	5	—	5	1
Transaction dealing charge (see note 3(iv))	—	22	22	27
	461	22	483	292

The Directors' emoluments authorised by the Articles of Association are £100,000 per annum.

Of the Directors' emoluments disclosed above, £5,000 (1999: £5,000) was payable to third parties in respect of making available the services of a Director. The fee was assigned to INVESCO Asset Management Limited.

5. Interest payable and similar charges

	Revenue £'000	2000 Capital £'000	Total £'000	Revenue £'000	1999 Capital £'000	Total £'000
Overdraft interest	9	27	36	—	—	—
Term loan repayable within 1 year, not by instalment	67	201	268	—	—	—
	76	228	304	—	—	—

6. Tax on net revenue from ordinary activities

	Revenue £'000	2000 Capital £'000	Total £'000	Revenue £'000	1999 Capital £'000	Total £'000
United Kingdom taxation:						
Corporation tax 30% (1999: 31%)	—	—	—	414	—	414
Writeback of ACT previously written off	—	—	—	—	(138)	(138)
Overprovision for tax in previous years	—	—	—	(27)	—	(27)
Tax relief attributable to management fee and interest, allocated to capital reserve — realised	204	(204)	—	110	(110)	—
Relief for overseas tax	—	—	—	(29)	—	(29)
Tax credits*	—	—	—	2	—	2
	204	(204)	—	470	(248)	222
Overseas tax	80	—	80	108	—	108
	284	(204)	80	578	(248)	330

*Tax on UK dividend income has not been restated for 1999 in accordance with FRS16 "Current Tax". Normally, as in the year ended 30 April 2000, no income is received from UK securities as all investments are in non-UK securities. Application of FRS16 has no effect on return on ordinary activities after tax and this change in accounting treatment would reduce both income and taxation by nil (1999: £2,000) when compared to the former basis.

7. Dividends

	2000 £'000	1999 £'000
Dividend on equity shares		
Ordinary — proposed dividend of 0.65p (net) per share (1999: 0.65p)	695	731
— proposed special dividend of Nil (net) per share (1999: 0.29p)	—	326
	695	1,057

8. Return and net asset value per ordinary share

Basic revenue return per ordinary share is based on the net revenue return on ordinary activities after taxation and on 112,289,389 (1999: 112,461,992) ordinary shares, being the weighted average number of ordinary shares in issue throughout the year.

Basic capital return per ordinary share is based on the net capital return on ordinary activities after taxation and on 112,289,389 (1999: 112,461,992) ordinary shares, being the weighted average number of ordinary shares in issue throughout the year.

Following the adoption of FRS 14 "Earnings per Share", as the ordinary share price remained under the warrant exercise price, the warrants are not dilutive and therefore no diluted or fully-diluted return per ordinary share has been calculated.

Basic net asset value per ordinary share is calculated on net assets of £97,054,000 (1999: £81,911,000) and 110,961,992 (1999: 112,461,992) ordinary shares in issue at the year end. Fully-diluted net asset value per ordinary share has been calculated assuming that the 22,157,917 remaining warrants are exercised at £1 each.

Notes to the Financial Statements

continued

9. Investments

(a) Analysis of investments by listing status:

	2000 £'000	1999 £'000
Listed on a recognised stock exchange	91,968	78,994
Unquoted investments	648	546
	92,616	79,540

	Listed in UK £'000	Listed overseas £'000	Unquoted £'000	Total £'000
(b) Analysis of investments gains:				
Opening book cost	1,512	65,421	913	67,846
Opening unrealised appreciation/(depreciation)	(3)	12,064	(367)	11,694
Opening valuation	1,509	77,485	546	79,540
Movements in the year:				
Purchases at cost	—	75,274	—	75,274
Sales — proceeds	(1,507)	(76,872)	—	(78,379)
— realised profits/(losses) on sales	(5)	8,891	—	8,886
Increase in unrealised appreciation	3	7,190	102	7,295
Closing valuation	—	91,968	648	92,616
Closing book cost	—	72,714	913	73,627
Closing unrealised appreciation/(depreciation)	—	19,254	(265)	18,989
	—	91,968	648	92,616

	2000 £'000	1999 £'000
Realised profits/(losses) on sales	8,886	(13,395)
Increase in unrealised appreciation	7,295	25,070
Gains on investments	16,181	11,675

(c) Registration of investments

The investments of the Company are registered in the name of the Company or in the name of nominees and held to the order of INVESCO Asset Management Limited – Account INVESCO Asia Trust plc

10. Debtors

	2000 £'000	1999 £'000
Amounts due from brokers	2,727	154
ACT recoverable	—	178
Income tax recoverable	298	754
VAT recoverable	40	35
Prepayments and accrued income	7	133
	3,072	1,254

11. Creditors: amounts falling due within one year

	2000	1999
	£'000	£'000
Amounts due to brokers	—	113
UK corporation tax payable	—	385
Proposed dividend	695	1,057
Accruals and deferred income	330	245
Term loan	3,060	—
	4,085	1,800

12. Called-up share capital

	2000	1999
	£'000	£'000
Authorised:		
150,000,000 ordinary shares of 10p each	15,000	15,000
Allotted, called-up and fully paid:		
110,961,992 (1999: 112,461,992) ordinary shares of 10p each	11,096	11,246

During the year 1,500,000 ordinary shares were repurchased at a price of 71p per share. The £150,000 nominal amount was transferred to a new capital redemption reserve (see note 13). Subsequent to the Company's year end a further 4,000,000 ordinary shares have been repurchased for cancellation at a price of 66p per share.

Winding-up provisions

The Articles of Association provide that unless the Annual General Meeting of the Company to be held in 2004 approves an ordinary resolution releasing the Directors from the obligation, the Directors shall convene an Extraordinary General Meeting in 2005 at which a special resolution will be proposed to wind-up the Company.

If the Company continues in existence after 2005, the Directors shall be obliged to convene an Extraordinary General Meeting 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 Annual General Meeting of the preceding year.

Warrant details

On 10 July 1995 22,434,113 warrants were issued entitling the holder of each warrant to subscribe for one ordinary share at a price of 100p per share 28 days after the date of the Annual General Meeting in respect of each financial year between 1996 and 2004 inclusive. During the year no (1999: Nil, 1998: 33,964, 1997: 242,232) Warrants were exercised for (1999: Nil, 1998: 33,964, 1997: 242,232) Ordinary shares of 10p each, leaving a balance at the year end of 22,157,917 (1999: 22,157,917).

Notes to the Financial Statements

continued

13. Reserves

	Share premium account £'000	Capital redemption reserve £'000	Special reserve* £'000	Capital reserve- realised £'000	Capital reserve- unrealised £'000	Revenue reserve £'000
Beginning of year	103,587	—	—	(45,427)	11,694	811
Net profit on realisation of investments	—	—	—	8,886	—	—
Increase in unrealised appreciation	—	—	—	—	7,295	—
Costs charged to capital	—	—	—	(782)	—	—
Exchange differences on capital items	—	—	—	(86)	—	—
Tax effect of capital items	—	—	—	204	—	—
Proceeds from liquidation of Drayton Eastern Trust plc	1,001	—	—	—	—	—
Reduction of share premium	(30,000)	—	30,000	—	—	—
Shares purchased for cancellation	—	—	(1,072)	—	—	—
Share buy-back: transfer from share capital	—	150	—	—	—	—
Revenue deficit for the year	—	—	—	—	—	(303)
End of year	74,588	150	28,928	(37,205)	18,989	508

On 18 April 2000 £1,001 million was received from the liquidator of Drayton Far Eastern Trust plc representing a liquidation payment. This amount has been taken to share premium account.

*The reduction of £30 million in the share premium account and the creation of a new special reserve of the same amount followed the approval by Shareholders of the Board's proposals concerning the possible purchase by the Company of its own shares and was in accordance with the approval of the High Court on 1 September 1999. (See page 16 of the Report of the Directors for more details.)

14. Notes to the cash flow statement

a. Reconciliation of operating profit to net cash inflow from operating activities

	2000 £'000	1999 £'000
Net return before finance costs and taxation	752	1,803
Decrease in debtors	117	127
Increase (decrease) in creditors	90	(63)
Income tax deducted from unfranked investment income	(95)	(326)
Overseas tax deducted from unfranked investment income	(81)	(107)
Management fee allocated to capital reserve — realised	(532)	(357)
Other expenses allocated to capital reserve — realised	(22)	(27)
Net cash inflow from operating activities	229	1,050

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

	2000 £'000	1999 £'000
Servicing of finance		
Interest paid on bank loans and overdrafts	299	—
	299	—

Taxation

	2000	1999
	£'000	£'000
Advance Corporation Tax paid	—	(231)
Income tax recovered	338	256
	338	25

Capital expenditure and financial investment

	2000	1999
	£'000	£'000
Purchase of investments	(75,387)	(49,930)
Sale of investments	75,807	47,400
Net cash inflow/(outflow) for capital expenditure and financial investments	420	(2,530)

Management of liquid resources*

	2000	1999
	£'000	£'000
Cash placed on short-term deposit	1,372	3,929
Net cash inflow from management of liquid resources	1,372	3,929

*INVESCO Asia Trust plc treats term deposits as liquid resources

Financing

	2000	1999
	£'000	£'000
Bank debt	3,060	—
Liquidation payment received from the liquidator of Drayton Far Eastern Trust plc	1,001	—
Shares purchased for cancellation	(1,072)	—
Net cash inflow from financing	2,989	—

c. Analysis of net funds

	1 May 1999	Cash flow	Exchange Movement	30 April 2000
	£'000	£'000	£'000	£'000
Net cash:				
Cash at bank	1,545	3,992	(86)	5,451
Cash placed on short term deposit	1,372	(1,372)	—	—
Debt due within one year	—	(3,060)	—	(3,060)
Net funds	2,917	(440)	(86)	2,391

15. Contingent liabilities

As at 30 April 2000 there were no contingent liabilities (1999: £Nil).

16. Related party transactions

INVESCO Asset Management Limited, a wholly owned subsidiary of AMVESCAP PLC, acts as Manager and Secretary to the Company. Details of INVESCO's services and fees are given in note 3 to the financial statements on page 28. Full details of Directors' interests are set out in the Directors' report on page 17.

Notes to the Financial Statements

continued

17. Risk management, financial assets and liabilities

The following information is given in accordance with Financial Reporting Standard 13 which was applicable from March 1999.

Risk management

The holding of securities, investing activities and associated financing undertaken pursuant to the investment policy involves certain inherent risks. Events may occur that would result in either a reduction in the Company's net assets or a reduction of revenue returns.

Set out below are the principal risks inherent in the Company's activities and the actions taken to manage these risks.

The main risk arising from the Company's financial instruments, which includes investments, is market price risk incorporating foreign exchange risk and interest rate risk. It should be noted that the prices of warrants, options and geared equity related derivative instruments tend to be more volatile than the prices of the underlying securities. The Board reviews and agrees policies for managing these risks and these are summarised below. These policies have remained substantially unchanged since 30 April 1999.

Market price risk arises mainly from uncertainty about future prices of financial instruments used in the Company's business. It represents the potential loss the Company might suffer through holding market positions in the face of price movements and movements in exchange rates.

The risk is monitored by the Board on a quarterly basis and on a daily basis by the Manager.

Foreign exchange risk arises as the Company is based in the UK and the Financial Statements are stated in sterling; however, all of the investments and most of the cash are non-sterling. As a result, the Company's sterling statement of total return and balance sheet can be significantly affected by movements in exchange rates. Exchange rate movements also impact on the Company's cash balances and debtors and creditors to the extent they are denominated in non-sterling currencies.

Interest rate risk is limited by the Company's financial structure with operations mainly financed through its share capital, share premium and retained profits consisting of realised and unrealised capital profits. Additional financing has been provided through sterling bank loans.

Liquidity risk and cash flow risk are minimised as the majority of the Company's assets comprise readily realisable securities which can be sold to meet funding commitments as necessary.

The Company's assets and liabilities, excluding short-term debtors and creditors, comprise investments in equity and fixed interest securities and may from time to time include warrants or options to subscribe for shares or geared or ungeared equity related derivative instruments. Assets include investments in Asian markets, principally comprising equity and non-equity shares. These are held in accordance with the Company's investment policy. Liabilities consist mainly of a sterling term loan fixed to 2 May 2000 at 6.9% per annum interest.

Analysis of currency exposures

Net Foreign Currency Monetary Assets/(Liabilities) excluding investment									
Malaysian Ringgit		United States Dollar		Taiwan Dollar		Other		Total	
2000	1999	2000	1999	2000	1999	2000	1999	2000	1999
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
5,271	91	2,732	9	8	1,484	—	176	8,011	1,760

The currency exposure of the investments at the year end is shown in the classification of investments table on pages 9 and 10.

Notice of Annual General Meeting

NOTICE IS GIVEN that the Annual General Meeting of INVESCO Asia Trust plc will be held at 11 Devonshire Square, London EC2M 4YR, on Wednesday 19 July 2000 at noon for the following purposes:

Ordinary Business

1. To receive the Directors' Report and Financial Statements for the year ended 30 April 2000.
2. To declare a dividend as recommended.
3. To re-elect Mr Robin A. M. Baillie a Director of the Company.
4. To re-elect The Hon Michael Benson a Director of the Company.
5. To re-appoint the Auditors and authorise the Directors to determine their remuneration.

Special Business

To consider the following resolution which will be proposed as a special resolution:

6. 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 £534,809.96;
 - (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 £534,809.96 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.
7. 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:

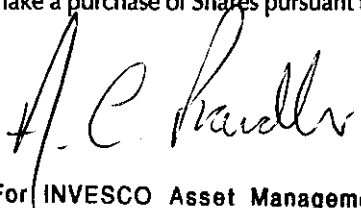
- (i) the maximum number of shares hereby authorised to be purchased shall be 16,033,000;
- (ii) the minimum price which may be paid for a Share shall be 10p;
- (iii) the maximum price which may be paid for a Share shall be an amount equal to 105% of the average of the middle market quotations for a Share taken from and calculated by reference to the London Stock Exchange Daily Official List for 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 2001 unless the authority is renewed at any other general meeting prior to such time; and
- (iv) 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.

Dated this 12th June 2000

By order of the Board

INVESCO Asset Management Limited
Secretaries


For INVESCO Asset Management
Limited Secretaries

**The Manager will be giving a presentation following the Annual General Meeting.
Refreshments will be provided.**

NOTES:

1. Any member entitled to attend and vote at this meeting is entitled to appoint one or more proxies to attend and, on a poll, to vote in his stead; a proxy need not be a member of the Company. A form of proxy for the use of members is enclosed.
2. A shareholder entered on the Register of Members 48 hours before the meeting is entitled to attend and vote at the Meeting pursuant to Regulation 34 of the Uncertificated Securities Regulations 1995. Any changes to the Register of Members after such time and date shall be disregarded in determining the rights of any shareholder to attend and/or vote at the Meeting.
3. There are no service contracts between Directors and the Company.
4. The Register of Directors' interests will be available for inspection at the Annual General Meeting.

Glossary of Terms

Net Asset Value (NAV)

The value of the Company's assets, principally investments made in other companies and cash being held, minus any liabilities for which the Company is responsible, eg money owed to other people. The NAV is also described as 'shareholders' funds'. The NAV is often expressed in pence per share after being divided by the number of shares which have been issued. The NAV per share is unlikely to be the same as the share price which is the price at which the Company's shares can be bought or sold by an investor. The share price is determined by the relationship between the demand for and supply of the shares.

Discount

A description of the situation when the share price is lower than the NAV per share. The size of the discount is calculated by subtracting the share price from the NAV per share and is usually expressed as a percentage (%) of the NAV per share. If the share price is higher than the NAV per share, this situation is called a premium and the percentage is commonly shown prefixed with a minus sign.

Gearing

Also known as leverage, particularly in the USA. Gearing is the process whereby capital growth (and conversely any capital depreciation) and income to the ordinary shareholders of the Company are boosted by borrowings, which provide some scope for additional investment but which carry a fixed liability. The return on this extra investment minus the cost of borrowing the money gives the shareholder an enhanced or geared profit or loss.

Potential Gearing

This gearing figure, which is published by the Association of Investment Trusts Companies, indicates the extra amount by which shareholders' funds would move if the total assets were to rise or fall. It is calculated by dividing the aggregate of shareholders' funds and all drawdown loans by shareholders' funds. A figure of 100 means that the Company has no gearing.

Total Expense Ratio

The total expenses (excluding interest) incurred by the Company, including those charged to capital, as a percentage of the average net assets (shareholders' funds).

Specialist Funds Managed by INVESCO

Investing in the Far East and Emerging Markets

INVESCO Asia Trust plc

Aims 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 Far East (ex Japan) Free Index, measured in sterling.

INVESCO Japan Discovery Trust plc

Aims to provide long term capital growth by investing in a diversified portfolio of smaller Japanese companies. The trust aims to achieve growth in its net asset value.

INVESCO Tokyo Trust plc

Aims to provide long term capital growth by investing in a diversified portfolio of Japanese investments. The Trust aims to achieve growth in its net asset value in excess of the Tokyo Stock Exchange (First Section) Index measured in sterling.

GT Japan Investment Trust PLC

Objective is to achieve sustained capital growth primarily through investment in Japanese securities. The performance benchmark is the Tokyo Stock Exchange First Section Index, expressed in sterling.

INVESCO AsiaNET Fund plc

Aims to achieve long term capital growth by investing in high technology companies based or operating in Asia (including Japan and Australasia). The Company may invest a proportion of its assets in unquoted companies. The performance benchmark is 3% over a composite index comprising 70% MSCI AC Asia Free ex Japan Index and 30% MSCI Japan Index. A resolution to convert the Company into an open-ended investment company will be put to shareholders in April 2001.

INVESCO Asia Alpha Fund

A sub-fund of Alpha Portfolios plc. An umbrella fund incorporated in Ireland with variable share capital.

Thailand

INVESCO are also advisers to Thai Asset and Thai Asia. These funds are closed end funds registered in Hong Kong and investing in Thailand.

Taiwan

In addition INVESCO International Limited manages INVESCO Taiwan Growth Fund which is a Luxembourg listed SICAV.

India

INVESCO Asset Management also manages INVESCO India Growth Fund.

Eastern Europe

INVESCO is also adviser to East Europe Development Fund which is a closed ended investment company incorporated in Jersey.

Investing for Income, Income Growth and Capital Growth

GT Income Growth Trust PLC

Objective is to provide shareholders with long-term growth in both income and capital from an above-average yielding portfolio consisting mainly of UK equities and equity-related securities. Seeks to achieve a total return in excess of the FTSE Actuaries All-Share Index.

INVESCO Convertible Trust plc

The objective of INVESCO Convertible Trust is to generate an above average, reliable yield, with the prospect for capital growth yet without adopting undue risk.

INVESCO City and Commercial Trust plc

Invests principally in the securities of UK investment trust companies and other closed end funds. The Trust is geared.

City Merchants High Yield Trust plc

Aims to provide investors with a high rate of income by investing in certain interest bearing securities including, but not restricted to, preference shares and redeemable or convertible loan stocks, corporate bonds and government stocks.

Investing in Smaller Companies

INVESCO Continental Smaller Companies Trust plc

Aims to achieve capital growth by investing in a diversified portfolio of European Smaller Companies. The Trust aims to achieve growth in excess of the HSBC Smaller Europe (ex UK) Index. This trust is geared.

INVESCO techMARK Enterprise Trust plc

Investments are concentrated on emerging UK companies whose primary business

activities are in technology and technology-related fields. The Trust will invest in members of the London Stock Exchange's techMARK market and will also be able to invest in other emerging technology companies quoted on other markets. The Trust aims to achieve growth in excess of the FTSE techMARK 100 Index.

INVESCO English and International Trust plc

Invests mainly in UK quoted and unquoted smaller companies, and in US smaller companies. It pursues a relatively risk averse stock selection strategy holding a well diversified portfolio. The Trust has gearing which the Directors believe will enhance the return to shareholders.

INVESCO Japan Discovery Trust plc (see above).

Investing in Split Capitalisation Funds

INVESCO Geared Opportunities Trust plc

Aims to achieve capital and income growth by investing in a combination of debt securities and equities in UK quoted companies. The share capital of the Trust comprises Zero Shares and Geared Ordinary Shares. In addition the Trust is geared by a convertible

unsecured loan stock. The Trust has an initial life projected to end in 2005.

INVESCO Recovery Trust 2005 plc

Aims to meet the capital entitlements of the Zero Shares and to maximise the capital and income returns of the Ordinary Shares by

investing primarily in equities but also debt securities which are considered to offer recovery prospects. The Trust is geared by way of a bank loan, and returns to Ordinary Shareholders are further geared by the prior charge of the Zero Shares. The Trust has an initial life projected to end in 2005.

Investing for High Income

INVESCO Leveraged High Yield Fund Limited

Aims to provide a high return, predominately in the form of income, from a diversified

portfolio of mainly European high yield corporate bonds.

Most of the above Trusts are eligible for inclusion in INVESCO Investment Trust Savings Scheme and the INVESCO Investment Trust ISA. In addition, most of the above Trusts are available for PEP transfer.

If you would like to receive more information about the Trusts, the Savings Scheme, the PEP or the ISA please contact INVESCO's Customer Services team on 0800 028 4050. We shall be happy to help.