

Asian

JPMorgan Asian Investment Trust plc

INTERIM REPORT FOR THE SIX MONTHS ENDED 31ST MARCH 2006

Six Month Performance

TOTAL RETURNS for the six months to 31st March 2006

+17.3%

Return to shareholders¹

+18.6%

Return on net assets²

+18.7%

Benchmark index total return^{3,4}

	31st MARCH 2006	30th SEPT 2005 (Restated)⁵	% CHANGE
FINANCIAL DATA (capital returns)			
Total net assets (£'000)	252,720	215,544 ⁶	+17.2
Number of ordinary shares in issue	164,199,154	164,199,154 ⁷	
Net asset value per ordinary share (p)	153.9	131.3 ⁶	+17.2
Ordinary share price (p)	137.8	119.0	+15.8
Discount of share price to net asset value (%)	10.5	9.4	

¹Change in share price with net dividends (if any) reinvested. (Source: Standard & Poor's – www.funds-sp.com).

²Change in net asset value per share with net dividends (if any) reinvested. (Source: Fundamental Data - www.funddata.com). NAV total returns are now calculated on a bid to bid basis. Historic NAVs have been adjusted to a bid basis by using an average factor compiled from the previous 12 month end valuations. This adjustment may vary from that shown in the accounts.

³Change in the value with net dividends (if any) reinvested. (Source: MSCI).

⁴The Company's benchmark is the Morgan Stanley Composite Free Asia (ex Japan) Index (in sterling terms). Comparison of the Company's performance is made with this benchmark. This benchmark is a recognised index of stocks which should not be taken as wholly representative of the Company's investment universe. The Company's investment strategy does not follow or 'track' this index and, consequently, there may be some divergence between its performance and that of the Company.

⁵The results for the year ended 30th September 2005 have been restated in accordance with Financial Reporting Standard 21. No adjustment has been made to reflect the change to using bid prices to value investments. More details are given in the Accounting Policies note on page 11.

⁶The previously reported NAV as at 30th September 2005 was 132.8p per share. For the purpose of the accounts the net assets and the NAV per share have been restated to reflect the changes under FRS21 (non accrual of final dividend) but no adjustment has been made in respect of the move to bid prices (FRS26). This results in net assets of £220,908,000 and an NAV per share of 134.5p as shown on page 9. However, the net assets and the NAV per share in the table above have been adjusted to a bid basis in order to calculate performance returns consistently by using an average factor compiled from the previous 12 month end valuations. This has resulted in restated net assets of £215,554,000 and an NAV per share of 131.3p. Further details of the changes in respect of FRS21 and FRS26 can be found on page 11.

⁷Excludes shares held in Treasury.

Chairman's Interim Statement

Performance

Strong performance in the Asian ex-Japan markets during the six months to 31st March 2006 was reflected in the Company's portfolio results. The net asset value total return was +18.6% compared with a total return of +18.7% from our benchmark index, the Morgan Stanley Composite Asia Free Index ex-Japan in sterling terms. The Company's share price total return over the same period was a little lower at +17.3%, reflecting a slight widening of the discount to net asset value.

Discount Management

Following the withdrawal of the special resolution to authorise the continued use of treasury shares at the AGM in February, we have been investigating alternative means of limiting the extent and volatility of the discount at which the Company's shares trade to net asset value. The Board has instructed its advisers to monitor levels on a daily basis and we remain prepared to buy back shares in order to prevent any unacceptable widening of the discount.

Gearing

The Company has retained until recently a £20 million multi-currency revolving credit facility and, for the past few months, this has been fully drawn. The significant capital growth of the Company over the last two years has resulted in the maximum amount of the existing facility now being considerably below the maximum proportion of the Company's net assets that may be borrowed in accordance with the policy and restrictions set by the Board. We have now entered into an agreement for a new, larger and more flexible borrowing facility. It is intended that the Investment Manager will be authorised by the Board to draw up to the maximum permitted, at his discretion, with a view to producing enhanced capital returns for shareholders in rising markets.

Investment Manager

This time last year I announced that Michael Koh was assuming the primary position in managing the Company's investment portfolio. He is now fully installed in the role and has been joined by Joshua Tay, a highly experienced investor and fund manager with complementary investment management skills, who will work alongside Michael at JPMorgan's office in Singapore. I would like to welcome Joshua on behalf of all shareholders.

Outlook

Your Board's view of the medium term prospects for Asia ex-Japan accords with the generally positive view of the Manager. The outlook is certainly more challenging in the year ahead but solid investment opportunities continue to exist from which we expect your Company to benefit. With the newly strengthened investment team dedicated to our portfolio we remain sanguine about results over the balance of 2006. We have also taken steps to improve the company's relative performance in the months ahead.

James Long

Chairman

12th May 2006

**All figures given in the Statement are in sterling terms.*

Investment Managers' Review

Market Review

Steady global growth, good regional corporate earnings and abundant liquidity continued to underpin the rise in Asian markets. Nowhere was the Asian investment story more evident than in India which was the best performing market amongst the larger markets. Robust macroeconomic fundamentals, exceptional funds flow from foreigners and domestic investors combined with upgrades in corporate earnings drove the market to record levels. Korea, which stands at a discount to the region on a price earnings basis, also reached new highs. Concerns about China slowing down and the drain on liquidity from the large banking IPOs vanished with good economic numbers and strong subscriptions. Hong Kong was at the bottom of the performance table. Although sentiment remains good, high real interest rates there have caused property transactions to dry up. Taiwan was another underperformer with domestic investors disillusioned with perceived ineffective government cross straits relations and economic policies. Amongst the smaller markets, Indonesia recovered sharply on confidence over the move by the government to address crippling fuel subsidies.

A summary of market performances is shown below:

Performance of MSCI Return Indices (in sterling terms) for the six months to 31st March 2006

	Absolute six months %	Relative to MSCI AC Asia ex-Japan six months %
Asia ex-Japan	18.7	—
Australia	7.2	-11.5
China	23.4	4.7
Hong Kong	6.0	-12.7
India	33.7	15.0
Indonesia	44.0	25.3
Korea	23.6	4.9
Malaysia	8.1	-10.6
Pakistan	44.2	25.5
Philippines	31.5	12.8
Singapore	18.1	-0.6
Taiwan	13.8	-4.9
Thailand	10.9	-7.8
Japan	21.8	3.1

Source: Thomson Datastream.

Performance Review

The net asset value rose 18.6% and the share price rose 17.3%. This compares to the rise in the benchmark of 18.7%.

Given that the portfolio was geared and that we had good weightings in the stronger markets, the

results were disappointing. Value was lost through stock selection mostly in China, Korea and Taiwan. In China, our holdings in telecommunications stocks fared poorly on uncertainty over restructuring in the sector ahead of the granting of 3G licences. In Korea, some of our holdings were hit by earnings downgrades whilst in Taiwan we were slow to trade out of selected technology stocks. There were some winners in the form of property and marine exposure in Singapore, China Life Insurance, resource plays and infrastructure stocks, but these were not sufficient to offset the losses.

Market Outlook

With the background of strong US growth and a housing market that for the moment continues to be supportive of consumption there, the outlook for Asia as a whole remains good in an international context. Recovery in Europe, signalled by improved business confidence, adds to the optimistic picture as does rising demand for regional products from the oil producing countries.

Closer to home is the prospect of normal consumption in Japan and a return to pre 1990s levels of economic influence in the region. An economy of this size has only to recover mildly to have a major effect on the rest of Asia and

economic recovery in Japan is progressing steadily. Japanese investment and consumption in the region are significant growth multipliers that have yet to be fully discounted. China's growth continues to be very strong. Consumption is buoyant and despite margin squeezes in some industries as a result of rising input costs, inflation is not yet running out of control.

Looking further ahead to the prospect of rates in the US stabilising or falling, it is difficult to be anything other than bullish about the economic and investment outlook for Asia. Bird flu and Middle East politics aside, perhaps the biggest risk to this favourable scenario is the rising tide of protectionism in the world. This is especially strong in the US. Sentiment against China's competitive advantages ignores the benefits to consumers. China has moved to ease the strains but the renminbi may not strengthen quickly enough to remove protectionist pressures completely.

Michael Koh

Joshua Tay

12th May 2006

Analysis of the Portfolio

Geographical	at 31st March 2006		at 30th September 2005 (Restated)	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
China and Hong Kong	29.8	27.0	28.0	27.5
South Korea	24.5	26.1	24.3	25.4
Taiwan	21.0	19.8	17.1	20.6
Singapore	10.7	7.5	11.3	7.6
India	8.6	9.6	7.7	8.4
Indonesia	2.6	2.3	1.3	2.0
Thailand	2.1	2.5	4.1	2.8
Malaysia	1.4	4.1	1.9	4.7
Net current (liabilities)/assets	(0.7)	—	3.3	—
Australia	—	—	1.0	—
Philippines	—	0.7	—	0.6
Pakistan	—	0.4	—	0.4
Total	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £272.9m (2005: £221.0m).

Sector	at 31st March 2006		at 30th September 2005 (Restated)	
	Portfolio %	Benchmark %	Portfolio %	Benchmark %
Financials	36.0	27.4	37.6	26.2
Information Technology	26.4	23.0	17.0	23.0
Energy	9.5	6.7	4.5	7.0
Industrials	8.0	10.9	11.8	11.5
Consumer Discretionary	7.6	8.9	8.6	9.0
Telecommunication Services	7.4	7.6	6.7	8.0
Materials	5.8	6.3	7.7	6.2
Net current (liabilities)/assets	(0.7)	—	3.3	—
Utilities	—	4.5	1.9	4.9
Consumer Staples	—	3.9	0.9	3.5
Healthcare	—	0.8	—	0.7
Total	100.0	100.0	100.0	100.0

Based on total assets less current liabilities of £272.9m (2005: £221.0m).

Ten Largest Investments

at 31st March 2006

Company	Country	Valuation £'000	% of total assets ¹
Samsung Electronics	South Korea	20,623	7.5
JPMorgan Funds/ JF India Fund	India	18,210	6.7
Taiwan Semiconductor	Taiwan	10,426	3.8
China Life Insurance	China	7,975	2.9
Media Tek	Taiwan	7,914	2.9
Posco	South Korea	7,709	2.8
DBS	Singapore	7,445	2.7
Hon Hai Precision	Taiwan	7,288	2.7
Hana Financial	South Korea	7,244	2.7
Swire Pacific	Hong Kong	7,042	2.6
Total²		101,876	37.3

¹Based on total assets less current liabilities of £272.9m.

²As at 30th September 2005, the value of the ten largest investments amounted to £76,653,000 representing 34.7% of total assets less current liabilities.

Capital Gains Tax

For shareholders who rolled their investment in The Fleming Far Eastern Investment Trust plc into the Company, the Capital Gains Tax apportionments are shown below. The apportionment of the original base cost will depend upon which option under the Fleming Far Eastern reconstruction scheme was chosen.

Option 1	All share option	Asian ordinary shares	0.95853
		Asian warrants	0.04147
Option 2	Share and Japanese unit option	Asian ordinary shares	0.64066
		Asian warrants	0.02772
		S&P Japanese units	0.33162
Option 3	Share and cash option	Asian ordinary shares	0.25082
		Asian warrants	0.01085
		S&P cash units	0.73833

Income Statement (Unaudited)

for the six months ended 31st March 2006

	Six months to 31st March 2006			Six months to 31st March 2005			Year to 30th September 2005 (Restated) ¹		
	Revenue	Capital	Total	Revenue	Capital	Total	Revenue	Capital	Total
	Return	Return	Return	Return	Return	Return	Return	Return	Return
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Realised (losses)/gains									
on investments	—	(3,513)	(3,513)	—	2,258	2,258	—	13,571	13,571
Unrealised gains on investments	—	38,304	38,304	—	13,283	13,283	—	36,027	36,027
Currency (losses)/gains on cash and short term deposits held during the year	—	(134)	(134)	—	(194)	(194)	—	38	38
Transfer of warrant reserve on lapse of warrants	—	—	—	—	4,895	4,895	—	4,895	4,895
Unrealised gains on short term currency contracts	—	—	—	—	—	—	—	10	10
Unrealised loss on USD loan	—	(140)	(140)	—	—	—	—	—	—
Other capital charges	—	(9)	(9)	—	(13)	(13)	—	(20)	(20)
UK dividend income	214	—	214	170	—	170	302	—	302
Overseas dividends	1,578	—	1,578	1,517	—	1,517	5,258	—	5,258
Scrip dividends	12	—	12	—	—	—	491	—	491
Deposit interest	50	—	50	30	—	30	172	—	172
Stock lending fees	23	—	23	20	—	20	37	—	37
Gross return	1,877	34,508	36,385	1,737	20,229	21,966	6,260	54,521	60,781
Management fee	(769)	—	(769)	(602)	—	(602)	(1,262)	—	(1,262)
Other administrative expenses	(327)	—	(327)	(328)	—	(328)	(613)	—	(613)
Net return before finance costs and taxation	781	34,508	35,289	807	20,229	21,036	4,385	54,521	58,906
Finance costs	(361)	—	(361)	(215)	—	(215)	(285)	—	(285)
Net return before taxation	420	34,508	34,928	592	20,229	20,821	4,100	54,521	58,621
Taxation	(243)	—	(243)	(171)	—	(171)	(1,270)	—	(1,270)
Net return attributable to shareholders	177	34,508	34,685	421	20,229	20,650	2,830	54,521	57,351
Return per ordinary share	0.11p	21.01p	21.12p	0.26p	12.48p	12.74p	1.74p	33.50p	35.24p
Return per ordinary share excluding transfer on lapse of warrants	—	—	—	0.26p	9.46p	9.72p	1.74p	30.50p	32.24p

¹The results for the year ended 30th September 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the Accounting Policies notes on page 11. As the Company did not declare and distribute an interim dividend for the half year ended 31st March 2005, it is not necessary for the interim results ended 31st March 2005 to be restated in accordance with Financial Reporting Standard 21.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The total column of this statement is the profit and loss account of the Company.

The results for the year ended 30th September 2005 are a non-statutory version of the full report and accounts for that year, which have been filed with the Registrar of Companies on which the auditors reported under S235 of the Companies Act 1985. The report contained no qualifications or any statement under Section 237 (2) or (3) of the said Act.

Reconciliation of Movements in Shareholders' Funds

(Unaudited)

	Share capital £'000	Share premium £'000	Capital redemption reserve £'000	Other reserve £'000	Capital reserve £'000	Warrant reserve £'000	Exercised Warrant reserve £'000	Revenue reserve £'000	Total £'000
At 30th September 2004									
(as restated)¹	40,522	26	1,111	115,856	2,414	4	5,868	2,047	167,848
Net capital return from ordinary activities	—	—	—	—	49,626	—	—	—	49,626
Exercise of warrants	1,378	4,135	—	—	—	—	—	—	5,513
Realised warrant premium	—	—	—	—	—	973	(973)	—	—
Expiry of warrants	—	—	—	—	4,895	—	(4,895)	—	—
Net revenue return from ordinary activities	—	—	—	—	—	—	—	2,830	2,830
Repurchase of shares into treasury	—	—	—	(4,384)	—	—	—	—	(4,384)
Issue of treasury shares	—	186	—	991	—	—	—	—	1,177
Dividends appropriated in the year	—	—	—	—	—	—	—	(1,702)	(1,702)
At 30th September 2005									
(as restated)¹	41,900	4,347	1,111	112,463	56,935	977	—	3,175	220,908
Adjustment to opening shareholders' funds at 1st October 2005 due to adoption of FRS26	—	—	—	—	(680)	—	—	—	(680)
Net capital return from ordinary activities	—	—	—	—	35,188	—	—	—	35,188
Net revenue return from ordinary activities	—	—	—	—	—	—	—	177	177
Dividends appropriated in the period	—	—	—	—	—	—	—	(2,873)	(2,873)
At 31st March 2006	41,900	4,347	1,111	112,463	91,443	977	—	479	252,720

¹The results for the year ended 30th September 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the Accounting Policies notes on page 11.

Balance Sheet (Unaudited)

	31st March 2006	31st March 2005	30th September 2005 (Restated) ¹
	£'000	£'000	£'000
Assets			
Investments at fair value through profit or loss	274,739	185,856	213,691
Net current (liabilities)/assets	(1,795)	3,419	7,263
Total assets less current liabilities	272,944	189,275	220,954
Creditors (amounts falling due after more than one year)	(20,178)	(5,000)	—
Provision for deferred taxation	(46)	(129)	(46)
Total net assets	252,720	184,146	220,908
Financed by:			
Share capital	41,900	41,900	41,900
Share premium	4,347	4,160	4,347
Capital redemption reserve	1,111	1,111	1,111
Other reserve	112,463	112,589	112,463
Capital reserve	91,443	22,643	56,935
Exercised warrant reserve	977	977	977
Revenue reserve	479	766	3,175
Equity shareholders' funds	252,720	184,146	220,908
Net asset value per share	153.9p	112.0p	134.5p
Net asset value per share assuming re-issue of treasury shares²	N/A	111.8p	134.2p
Ordinary share price	137.8p	99.8p	119.0p

¹The results for the year ended 30th September 2005 have been restated in accordance with Financial Reporting Standard 21. More details are given in the Accounting Policies notes on page 11. As the Company did not declare and distribute an interim dividend for the half year ended 31st March 2005, it is not necessary for the interim results ended 31st March 2005 to be restated in accordance with Financial Reporting Standard 21. The net assets and NAV per share quoted on page 1 have been additionally restated to reflect the change to bid prices. More details can be found in footnote 6 on page 1.

²The shares held in treasury have all been cancelled during the period. Thus there are no shares held in treasury at 31st March 2006 (31st March 2005: 3,250,000 and 30th September 2005: 3,400,000). The NAVs for the comparative periods assume that those shares were re-issued at the prevailing mid market price at each period end.

The results for the year ended 30th September 2005 are a non-statutory version of the full report and accounts for that year, which have been filed with the Registrar of Companies and on which the auditors reported under S235 of the Companies Act 1985. The report contained no qualifications or any statement under Section 237 (2) or (3) of the said Act.

Cash Flow Statement (Unaudited)

	Six months to 31st March 2006	Six months to 31st March 2005	Year ended 30th September 2005
	£'000	£'000	£'000
Net cash inflow from operating activities	42	468	3,517
Net cash outflow from returns on investments and servicing of finance	(301)	(204)	(281)
Total tax paid	(237)	(41)	(934)
Net cash (outflow)/inflow from capital expenditure and financial investment	(27,576)	(5,142)	5,493
Total equity dividends paid	(2,873)	(1,702)	(1,702)
Net cash inflow from financing	21,181	7,544	2,306
(Decrease)/increase in cash for the period	(9,764)	923	8,399

Accounting Policies

These interim financial statements have been prepared on the basis of the accounting policies set out in the Company's Annual Report and Accounts dated 30th September 2005, except as stated below.

Modifications to UK GAAP as a result of the issue of new Financial Reporting Standards ('FRS') have been applied to all periods being reported in these accounts. The effects of the restatements on prior results are as follows:

Valuation of Investments

Investments are designated as held at fair value through profit or loss in accordance with FRS26: 'Financial Instruments Measurement'. Listed investments are valued at bid market prices. This represents a change in accounting policy but, in accordance with the exemption conferred by paragraph 108D of FRS26, comparatives have not been restated. In prior periods listed investments were valued at last trade prices. The adoption of bid prices on 1st October 2005 decreased the published value of investments by £680,000.

Transaction Costs

For the purpose of these accounts, transaction costs are defined as costs such as stamp duty and broker commissions incurred in the sale and purchase of investments. FRS26 requires that where investments are designated as 'fair value through profit or loss', the transaction costs should be disclosed.

The transaction costs on purchases for the six months to 31st March 2006 are £260,000 (30th September 2005: £402,000; 31st March 2005: £214,000). The transaction costs on sales for the six months to 31st March 2006 are £319,000 (30th September 2005: £551,000; 31st March 2005: £286,000). These costs include stamp duty and broker commission and are included in purchases and netted off against sales.

Dividends

FRS 21: "Events after the Balance Sheet Date" requires that final dividends approved by the Company after the balance sheet date should not be recognised as a liability of the Company at the balance sheet date. Prior results have accordingly been restated and this has led to an increase in net assets attributable to shareholders of £2,873,000 at 30th September 2005.

Information about the Company

Financial Calendar

Financial year end	30th September
Interim results announced	April/May
Final results announced	November
Dividend on ordinary shares paid (if any)	February
Annual General Meeting	February

History

The Company was launched in September 1997 as a rollover vehicle for shareholders in The Fleming Far Eastern Investment Trust plc. It adopted its current name in February 2006.

Market Information

The Company's net asset value ('NAV') is published daily, via the London Stock Exchange.

The Company's shares are listed on the London Stock Exchange and are quoted daily in the Financial Times, Daily Telegraph, The Times, The Independent, The Guardian, The Herald, BBC Ceefax and on the JPMorgan Internet site at www.jpmasian.com.

Taxation

The Company is managed so as to maintain approval as an investment trust by the Inland Revenue and, as such, is exempt from capital gains tax on profits arising from the sale of its investments.

Share Transactions

The shares may be dealt in directly through a stockbroker or professional adviser acting on an investor's behalf. They may also be purchased and held through the Investment Trust Share Plan, Individual Savings Account ('ISA'), and the Personal Equity Plan ('PEP').

Directors

James Long TD (*Chairman*)
Alun Evans CMG
Ronald Gould
Christopher Penn
Andrew Sykes

Company Numbers

Company registration number: 3374850
London Stock Exchange Sedol number: 0132077

Manager and Secretary

JPMorgan Asset Management (UK) Limited

Company's Registered Office

Finsbury Dials, 20 Finsbury Street, London EC2Y 9AQ

Please contact Philip Jones for company secretarial issues and administrative matters at the above address, or telephone 020 7742 6000.

Registrars

Lloyds TSB Registrars

Reference 1357, The Causeway, Worthing, West Sussex, BN99 6DA. Tel: 0870 600 3984

Notifications of changes of address and enquiries regarding certificates or dividend cheques should be made in writing to the Registrar quoting reference 1357.

Registered shareholders can obtain further details on individual holdings on the internet by visiting www.shareview.co.uk

Brokers

JPMorgan Cazenove, 20 Moorgate, London EC2R 6DA

Auditors

PricewaterhouseCoopers LLP, Southwark Towers, 32 London Bridge Street, London SE1 9SY

Savings Plan Administrators

For queries on the JPMorgan ISA, PEP, Share Plan or Pension Account, see contact details overleaf.



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