

HENDERSON FAR EAST INCOME LIMITED

Financial results for the year ended 31 August 2025

This announcement contains regulated information

Investment Objective

The Company seeks to provide shareholders with a growing total annual dividend, as well as capital appreciation, from a diversified portfolio of investments from the Asia Pacific region.

Total return performance to 31 August 2025

	1 year %	3 years %	5 years %	10 years %
NAV ^{1, 8}	12.7	9.6	19.7	80.9
Share price ^{2, 8}	13.6	12.8	18.8	83.5
FTSE World Asia Pacific ex Japan Index ³	14.1	19.6	35.6	153.1
MSCI AC Asia Pacific ex Japan High Dividend Yield Index ³	13.9	33.8	67.7	146.2

Financial highlights	at 31 August 2025	at 31 August 2024
Shareholders' funds		
Net assets (£'000)	£407.6m	£366.1m
NAV per share at end of year	223.32p	221.97p
Share price	231.00p	227.00p
Dividend yield	10.8%⁴	10.8% ⁵

	Year ended 31 August 2025	Year ended 31 August 2024
Profit/(loss) for year		
Revenue return (£'000)	42,680	45,334
Capital return (£'000)	2,432	(6,005)
	-----	-----
Net total (loss)/profit	45,112	39,329
	=====	=====
Total earnings/(loss) per ordinary share		
Revenue	24.98p	27.83p
Capital	1.42p	(3.68p)
	-----	-----
Total earnings per ordinary share	26.40p	24.15p
	=====	=====

1. Net Asset Value ('NAV') total return per ordinary share at 31 August 2025. Total return takes into account the rise and fall of the NAV and assumes dividends are reinvested
2. Share price total return using closing price at 31 August 2025. Total return takes into account the rise and fall of the share price and assumes dividends are reinvested
3. The Company does not have a benchmark and uses these indices for comparison purposes only.
4. Dividend yield based on a share price of 231.00p and dividends for the twelve months to 31 August 2025 totalling 24.90p per ordinary share.
5. Dividend yield based on a share price of 227.00p and dividends for the twelve months to 31 August 2024 totalling 24.60p per ordinary share
6. Calculated using the methodology prescribed by the Association of Investment Companies
7. The premium expresses, as a percentage, the difference between the closing share price and NAV, including current year revenue, as at the period end date
8. NAV total return, share price total return, the ongoing charge and premium are considered alternative performance measures. More information on these can be found in the Company's annual report

Sources: Morningstar Direct, Janus Henderson Investors

CHAIRMAN'S STATEMENT

Dear Shareholder,

As some of you may recall, my letter two years ago contained a sombre assessment of our results, reflecting a frustration for all of us that ultimately led to a change of portfolio manager and some shifts in our approach. That process of change has continued in the ensuing period with careful adjustments to holdings, position sizes, use of our options strategy, levels of turnover and methods of dividend capture. Our most recent results confirm the value of these changes and it is with pleasure that we present them now in this year's annual report to shareholders. The focus of our efforts during the past two years has been to achieve a better balance, a balance that delivers strong dividends as well as underlying capital growth. We believe we are now firmly on the right path to achieve this combination of income and capital growth with consistency over time, recognising that all markets have ups and downs. Our Fund Manager's report sets out the details of both what has changed and how, but I want to focus on a few key points from the Board's perspective.

The performance of Asian equities in the year to 31 August 2025, shows a period of significant transformation and resilience. Amidst evolving global economic landscapes and regional dynamics, Asian markets have been remarkably adaptable, influenced by rapid technological advancements, growing financial inclusion and major corporate reform. Collectively, these factors have re-shaped investment patterns and outcomes, making this year an intriguing chapter in the ongoing story of Asia's economic development.

Performance

NAV total return for the year ended 31 August 2025 was 12.7%, only marginally behind the FTSE World Asia Pacific ex Japan Index at 14.1% and the MSCI AC Asia Pacific ex Japan High Dividend Yield Index of 13.9%, representing a major improvement in capital growth. The share price total return over the same period was 13.6%. Pleasingly, our capital return per ordinary share is now in positive territory at 1.42p (2024: loss of 3.68p) once again.

Our dividend yield remains steady at 10.8%, a full 4.2% ahead of our closest peer in the AIC sector. Taking account of the more balanced composition of the portfolio following our strategic review last year, we will be adopting a new comparator index – the MSCI AC Asia Pacific ex Japan Index and will be using this when reporting to you on the half-year financial results.

Dividend

We declared four interim dividends in respect of the year ended 31 August 2025. These amounted to 24.90p per ordinary share, an increase of 1.2% over the prior year and maintaining our 18 year track record of increasing dividends.

The dividend has been substantially covered by portfolio revenues with a contribution of only £1.5m from reserves. A return to corporate dividend growth in the region gives us confidence that our long-term dividend growth opportunities remain very much intact for the future.

Share issuance

I am pleased to report that the Company traded at a premium throughout the period, the only constituent of the AIC Asia Pacific Equity Income sector to do so and indeed one of only thirteen investment trusts to regularly issue shares outside of a corporate action in the current calendar year.

In the year to 31 August 2025, the Company issued a total of 17.6m ordinary shares at a premium to NAV generating £39.1m for further investment. In the period from the year end to 7 November 2025, we issued a further 6.3m shares for £15.6m.

Board composition

In keeping with our ongoing Board refreshment plan, Julia Chapman retired from the Board on 29 October 2025, leaving behind an outstanding period as our Senior Independent Director and a guiding force for all of us as we have navigated a difficult period of fund manager and market transition. Carole Ferguson succeeded Julia as the Senior Independent Director on her retirement.

On 5 June 2025, Steven Wilderspin joined the Board as a non-executive director. He brings extensive accounting and auditing experience to the Board and is our Jersey resident director, thereby fulfilling our obligations to the Jersey Financial Services Commission.

Annual General Meeting

The annual general meeting will be held at 12.30 pm on 20 January 2026 at the offices of our investment manager at 201 Bishopsgate, London, EC2M 3AE.

The Notice of Meeting is included at the back of this annual report and I encourage all to attend the meeting if they are able to, or to vote their shares ahead of the meeting. For shareholder democracy to be effective, your vote is important and appreciated.

The Fund Manager will provide his usual presentation on the financial year just concluded and his outlook for markets in the Asia Pacific region in the current year.

Outlook

After a fraught and confusing period for Asia's equity markets, the outlook for stocks and dividends in the Asia Pacific region is decidedly positive, notwithstanding a few areas of concern. Despite the challenges posed by US trade tariffs which continue to morph and change, the region shows strong potential for growth. This growth is being fuelled by relentless technological innovation, a massive growth in financial inclusion and corporate reform in several key markets. These elements, along with the burgeoning middle class who are now spending again, are setting a solid foundation for market expansion and increased investor confidence. As trade relationships adjust and evolve, companies in the region are emerging more resilient and competitive, potentially leading to higher dividend payouts and attractive equity performance. Investors can look forward to capitalising on these developments, making the Asia Pacific markets a compelling prospect for the future.

Ronald Gould
Chairman

FUND MANAGERS' REPORT

Introduction

It is useful to reiterate our comments from the half-year report highlighting elevated global volatility, this time induced by the new US administration's broad policy announcements, in particular, with respect to trade. This was illustrated perfectly by the clash of positive sentiment from loosening monetary policy as the Federal Reserve cut rates by 50bps in September 2024, the first cut in over four years, against the severe negative market reaction to the 2 April 2025 Liberation Day tariff announcements. However, there was another twist as equities then staged a quite remarkable rebound with the MSCI AC Asia Pacific ex Japan Index rising 31% from the trough of 9 April 2025 to the end of the period.

In the context of a weaker US dollar and uncertainty around the impact of the various new policies, particularly in terms of trade tariffs, it is also worth reiterating our view that this remains a pivotal period with a potential reversal of the performance differential between US and Asian equities. The broader MSCI AC Asia Pacific ex Japan Index outperformed the S&P 500 Index during the period for the first time since our financial year ending August 2017. However, the drivers of performance were not broad based with North Asia significantly outperforming the Indian and ASEAN¹ markets, and it was notable that, by sector, technology and consumer discretionary were by some distance the winners and energy the laggard.

Improved sentiment around China was key to the rebound. This was despite lacklustre macro economic data which confirmed ongoing pressures on the consumer in a prolonged period of deflation alongside a weak property market. The pivot away from India reflected a huge valuation disparity between the two markets as investors digested the steady flow of piecemeal stimulus measures from the Chinese government, addressing the property and stock markets. These positives were followed by an unexpected announcement on DeepSeek, the domestically developed Artificial Intelligence ('AI') model that upended longstanding assumptions about AI competition and China's position. The low cost nature and high performance of the model surprised global

investors, leading them to re-assess the true level of progress that China had made in this key technology battleground and to take more seriously a whole range of tech related developments in China.

In contrast, India was a weak market following years of stellar performance. The market has run out of steam with nominal GDP growth slowing, initial signs of the credit quality of Indian banks worsening, weaker consumption trends and employment prospects depressed. This has all been exacerbated by the comments from the US as they significantly increased tariffs on Indian imports and the Indian rupee hit record lows against the US dollar. Stretched valuations encouraged an investor shift that has seen a marked setback in Indian stock market results in the period.

Performance

The NAV total return was 12.7% in sterling terms over the period with the share price total return at 13.6%. This compared to the FTSE World Asia Pacific ex Japan Index, which returned 14.1%, and the MSCI AC Asia Pacific ex Japan High Dividend Yield Index, which returned 13.9% over the period. The more growth oriented FTSE index benefitted from its larger weighting in low yielding Taiwan Semiconductor Manufacturing Company ('TSMC') and China technology names Tencent, Alibaba and Xiaomi. The MSCI index was a beneficiary of its traditionally large weighting in Chinese financials. While the NAV total return underperformed the two indices, the portfolio produced a second consecutive year of double-digit NAV total return as we shifted away from deep value high yield names that would not have participated in recent market rallies towards a delicate balance between high yield and high growth names. We feel this approach has allowed us to broadly match these growth indices, whilst providing a significantly higher dividend yield.

In future, we will compare performance versus a single index, the broader growth and more commonly used MSCI AC Asia Pacific ex Japan Index as it better reflects our recent shift towards a balanced growth and income composition. This index returned 14.7% over the period, supported by large weightings in the technology sector. In local currency terms, the FTSE World Asia Pacific ex Japan Index rose 18.5% with the 4.4% strength in sterling impacting returns for the UK investor. China, Hong Kong, South Korea and Taiwan posted strong performance, however, underlying this were structural growth drivers unique to each market. In China, we have mentioned the great revival of technology names following positive news flow on AI investments. Equally important, however, was the performance of high dividend paying State Owned Enterprises ('SOEs'). Improving market sentiment especially benefitted SOEs and domestic retail investors, and insurance companies sought higher yielding domestic equities in the face of falling interest rates. In Hong Kong there was a rebound in the property market as HIBOR, the interbank rate, fell dramatically and supported the attractiveness of our high yield property and telecommunication holdings. In Taiwan, the dominance of AI related names such as TSMC, the global leader in semiconductors, boosted performance as US tech giants battled to invest ever increasing amounts into AI. Finally, South Korea was a huge beneficiary of renewed corporate reform under a recently elected president, with the market up over 75% in US dollar terms by the end of October 2025.

India was the worst performer over the period, followed by the ASEAN markets of Indonesia, Malaysia, Philippines and Thailand. Our exposure to these markets is limited, though we continue to believe India and Indonesia are attractive long term growth markets. Developments over the course of the period have, though, led us to reduce our exposure here. For India, a more positive outlook on private sector capital expenditure, with improved inward foreign direct investment and employment prospects is key. Indonesia is enacting reform of its own, but some of the communication has been less than clear and recent unemployment and static growth has led to some consumer backlash. We are inclined to give the government the benefit of the doubt given some well-planned initiatives to boost growth.

Our key contributors to performance were high yield value companies in China which have been firmly out of fashion for several years. An example is China Hongqiao, the largest global aluminium manufacturer, which appreciated by over 90% whilst paying a double-digit dividend yield. Our China financial holdings, namely China CITIC Bank, China Construction Bank and New China Life, all performed well whilst paying high dividends. Alongside this, we were able to utilise our option strategy to generate income from strongly performing growth companies such as SEA Limited, whose valuation nearly doubled. Quanta Computer and TSMC were also strong contributors. Volatility has allowed us to expand utilisation of our option strategy, allowing us to purchase more of these exciting growth companies whilst maintaining a high and growing dividend per share.

Key performance detractors in the period were the remaining positions in India and the energy sector, despite our low positioning in these areas. Bharat Petroleum, Woodside Energy and Infosys were underperformers and were

sold in the period. Power Grid and GAIL in India were weak in the period, but we continue to hold these companies as they increase their dividends from high returns generated from key infrastructure assets. The weaker macro data from Indonesia hurt the performance of Bank Mandiri, another detractor over the period. With Indian valuations now somewhat less stretched, we remain alert to a return pivot to investments in that important market.

Revenue

Dividend income from companies held in the portfolio fell by 11.1% while total income decreased by 3.1% compared to last year. This reflects a return to more normal revenues following the exceptional increase in income last year. Despite this, the year ended 31 August 2025 generated the Company's second highest revenue return per share ever as dividend growth continues to surprise positively in our region. Notably, the financial year just ended, has produced a positive capital return per share for the first time since 2017, evidence of our subtle shift toward achieving capital upside along with high income.

The geographical split of our income remains diverse with significant increases from Taiwan and Indonesia, and continued high income from South Korea. The corporate reform program in South Korea is driving a fundamental shift in the approach to shareholder returns and it remains a key income market for the years ahead. China has followed suit and is addressing underperformance of SOEs by requiring them to focus on shareholder returns. More recently, Singapore has launched its own version of a corporate reform program. These initiatives are very positive for income growth in our region.

Portfolio activity

At a portfolio level, it is the shift in some of the country weights that is most notable during the period, with a significant reduction in exposures to Australia and India, which were used to fund larger exposures in China. Despite this, our position in China remains broadly neutral versus Asian indices as we remain cautious on the overall macro picture. The reduction in Australian holdings mainly relates to a more negative view on the miners with the positions in Pilbara Minerals, Rio Tinto, BHP Group and Fortescue sold as capex grows above expectations, negatively impacting dividends. In India, we sold our information technology services holdings, Infosys and HCL Technologies, to fund more attractive growth in Tencent and Alibaba.

We also sold Indian holdings NTPC and Bharat Petroleum following their strong performance which compressed the dividend yields amid increasing concerns about the macro-economic outlook for the country and a weakening earnings outlook. Our new additions in North Asia have been superior replacements including Quanta Computer, SK Hynix and SK Square in the technology sector and high yield property and financial names in Hong Kong and China, namely Kerry Properties and New China Life.

New China Life has a track record of strong growth in new business, increasing gross premium income, which is supported by various distribution channels and the insurer's strong brand value. It is committed to higher shareholder returns via dividends. Kerry Properties, a property developer based in Hong Kong, has been reducing its financial gearing ratio and continues to pay high dividends. Despite the weakness in the Chinese property sector, Kerry's pipeline development properties are located at prime locations in Hong Kong and tier-one markets in China, where the sales recovery has been more positive. The purchase of China Hongqiao was based on an attractive valuation and high yield as the company reported a significant improvement in its gross profit margin in its full-year results and announced a higher-than-expected dividend pay-out as aluminum prices strengthened. An extensive share buyback programme and high dividend yield continues to drive shareholder returns from the company.

Outlook

We began by referring to the importance of a number of exciting structural growth themes in Asia which had been masked somewhat by geopolitical headlines. However, the potential for these regional themes to support long term performance is undiminished. The potential is rapidly turning into earnings growth and the opportunities are broader than our initial expectations. Growth is being driven by several factors. These include Asia's position as a hub for technology supply chains, crucial to the development of AI given strength in hardware and semiconductor manufacturing. There is also an incredible opportunity for financial companies in markets such as Indonesia, the Philippines and India where hundreds of millions of bank accounts have been opened in recent years. Infrastructure including renewable energy continues to grow with record levels of spend in India, Indonesia and China. The emergence of strong domestic brands from China succeeding in foreign markets is another new trend and along with more widespread corporate reform in South Korea, China and Indonesia.

These trends alongside the faster than expected dividend growth in recent years are a compelling mix, unmatched by other markets. We are now benefitting from low relative valuations and some of the lowest dividend payout ratios globally, which leaves significant room for improvement in the years ahead. The future of China will be inextricably linked to the fortunes of the region and the rebound of that market has been supported by a calm, measured response from its leaders in the face of significant global shifts, leaving investors reassured by the number of policies left in its arsenal.

Sat Duhra
Fund Manager

1. Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand and Vietnam

Investment portfolio as at 31 August 2025

Ranking 2025	Ranking 2024	Company	Country of incorporation	Sector	Value 2025 £'000	% of portfolio
1	2	Taiwan Semiconductor manufacturing ¹	Taiwan	Technology	22,883	5.29
2	22	Brilliance China Automotive	China	Consumer Discretionary	20,457	4.73
3	-	Tencent	China	Technology	20,122	4.65
4	-	China Hongqiao	China	Basic Materials	16,451	3.80
5	7	Oversea-Chinese Banking	Singapore	Financials	15,767	3.64
6	13	United Overseas Bank	Singapore	Financials	15,406	3.56
7	34	Lenovo	China	Technology	11,879	2.74
8	-	Origin Energy	Australia	Utilities	11,388	2.63
9	8	Hon Hai Precision Industry	Taiwan	Technology	11,170	2.58
10	17	Macquarie Korea Infrastructure Fund	South Korea	Financials	11,085	2.56
Top Ten Investments					156,608	36.18
11	31	First Pacific	Hong Kong	Consumer Discretionary	10,745	2.48
12	-	Suncorp	Australia	Financials	10,692	2.47
13	49	CTBC Financial	Taiwan	Financials	10,608	2.45
14	-	Kerry Properties	Hong Kong	Real Estate	9,915	2.29
15	3	MediaTek	Taiwan	Technology	9,786	2.26
16	-	New China Life	China	Financials	9,430	2.18
17	-	Evergreen Marine	Taiwan	Industrials	9,320	2.15
18	-	Bosideng International	China	Consumer Discretionary	9,313	2.1
19	11	PCCW	Hong Kong	Telecommunications	9,230	2.13
20	-	Alibaba	China	Consumer Discretionary	9,156	2.12
Top Twenty Investments					254,803	58.86
21	40	China Resources Land	China	Real Estate	9,124	2.11
22	21	Astra International	Indonesia	Consumer Discretionary	8,558	1.98
23	-	SK Hynix	South Korea	Technology	8,507	1.96
24	6	HKT Trust & HKT	Hong Kong	Telecommunications	8,426	1.95
25	-	SK Square	South Korea	Technology	8,394	1.94
26	-	Novatek Microelectronics	Taiwan	Technology	8,006	1.85
27	5	HDFC Bank	India	Financials	7,933	1.83
28	15	DB Insurance	South Korea	Financials	7,126	1.65
29	-	GAIL Limited	India	Energy	6,505	1.50
30	27	Samsung Fire & Marine	South Korea	Financials	6,152	1.42
Top Thirty Investments					333,534	77.05
31	32	Midea	China	Consumer Discretionary	5,875	1.36
32	36	Trip.com	China	Consumer Discretionary	5,845	1.35
33	19	Wesfarmers	Australia	Consumer Discretionary	5,819	1.34
34	-	Quanta Computer	Taiwan	Technology	5,675	1.31
35	4	Macquarie Group	Australia	Financials	5,574	1.29
36	42	Goodman Group	Australia	Real Estate	5,558	1.28
37	30	Swire Properties	Hong Kong	Real Estate	5,366	1.24
38	-	PT Telkom	Indonesia	Telecommunications	5,050	1.17
39	12	Hyundai Motor ²	South Korea	Consumer Discretionary	5,037	1.16
40	-	SCB X	Thailand	Financials	4,982	1.15

Top Forty Investments					388,315	89.70
41	26	Power Grid	India	Utilities	4,831	1.12
42	33	Kia Corp	South Korea	Consumer Discretionary	4,821	1.11
43	48	China CITIC Bank	China	Financials	4,724	1.09
44	-	Industrial Bank Of Korea	South Korea	Financials	4,656	1.08
45	47	Industrial Bank	China	Financials	4,443	1.03
46	28	HSBC	Hong Kong	Financials	4,426	1.02
47	-	BDO Unibank	Philippines	Financials	4,324	1.00
48	23	Bank Negara Indonesia	Indonesia	Financials	4,177	0.96
49	46	China Construction Bank	China	Financials	4,150	0.96
50	-	FinVolution Group ³	China	Financials	3,619	0.84
Top Fifty Investments					432,486	99.91
51	-	Resona	Japan	Financials	3,603	0.83
52	18	Bank Mandiri	Indonesia	Financials	3,486	0.80
53	53	China Forestry ⁴	China	Basic Materials	-	-
54	-	SK Square Call Option 168 (Expiry 12/09/25)	South Korea	Technology	(27)	(0.01)
55	-	Alibaba Call Option 134 (Expiry 22/10/25)	China	Technology	(53)	(0.01)
56	-	Alibaba Call Option 142 (Expiry 14/11/25)	China	Technology	(59)	(0.01)
57	-	New China Life Call Option 58 (Expiry 0/10/25)	China	Financials	(69)	(0.02)
58	-	MediaTek Put Option 129 (Expiry 14/10/25)	Taiwan	Technology	(70)	(0.02)
59	-	SK Hynix Call Option 314 (Expiry 14/11/25)	South Korea	Technology	(95)	(0.02)
60	-	SK Hynix Call Option 271 (Expiry 15/09/25)	South Korea	Technology	(97)	(0.02)
Top Sixty Investments					439,105	101.43
61	-	China Resources Beijing Call Option 31.2 (Expiry 17/09/25)	China	Real Estate	(97)	(0.02)
62	-	Samsung Fire & Marine Call Option 478 (Expiry 07/11/25)	South Korea	Financials	(110)	(0.03)
63	-	ANTA Sports Put Option 91.8 (Expiry 9/09/25)	China	Consumer Discretionary	(120)	(0.03)
64	-	FinVolution Group Put Option 8.5 (Expiry 2/10/25)	China	Financials	(135)	(0.03)
65	-	Lenovo Call Option 12.7 (Expiry 7/11/25)	China	Technology	(153)	(0.04)
66	-	Resona Call Option 143 (Expiry 10/09/25)	Japan	Financials	(184)	(0.04)
67	-	Brilliance China Automotive Call Option 3.3 (Expiry 18/09/25)	China	Consumer Discretionary	(219)	(0.05)
68	-	New China Life Call Option 48.2 (Expiry 14/10/25)	China	Financials	(318)	(0.07)
69	-	SK Square Call Option 153 (Expiry 7/11/25)	South Korea	Technology	(363)	(0.08)
70	-	DB Insurance Call Option 118 (Expiry 10/09/25)	South Korea	Financials	(442)	(0.10)
Top Seventy Investments					436,964	100.94
71	-	China Hongqiao Call Option 23.6 (Expiry 22/10/25)	China	Basic Materials	(699)	(0.16)
72	-	China Hongqiao Call Option 16.6 (Expiry 10/09/25)	China	Basic Materials	(3,370)	(0.78)
Total Investments					432,895	100.00

There were no convertible of fixed interest securities as at 31 August 2025 (2024: None)

1 Comprises Taiwan and American Depositary Share holdings, split £19,464,000 and £3,419,000 respectively

2 Preferred Shares

3 American Depositary Receipts

4 Unquoted investment held at £nil

Sector distribution of income for the year ended 31 August 2025

(% of portfolio excluding cash)

	2025	2024
	%	%
Financials	34.5	22.8
Consumer Discretionary	29.3	47.8
Technology	7.7	8.4
Industrials	6.6	0.5
Basic Materials	6.5	4.0
Telecommunications	6.1	4.9
Real Estate	5.6	4.4
Energy	2.5	4.2

Utilities	1.2	3.0
	100.0	100.0

Geographic distribution of income for the year ended 31 August 2025

(% of portfolio excluding cash)	2025	2024
	%	%
China	37.5	50.3
Taiwan	13.8	4.4
South Korea	11.1	11.0
Indonesia	11.0	7.0
Hong Kong	9.2	10.4
Australia	8.5	5.7
Singapore	3.9	3.5
India	2.6	5.5
Thailand	1.9	0.5
Japan	0.3	0.1
Vietnam	0.1	0.6
Philippines	0.1	-
New Zealand	-	1.0
	100.0	100.0

Principal risks and emerging risks

Investing, by its nature, carries inherent risk. The Board, with the assistance of the investment manager, carries out a robust assessment of the principal and emerging risks and uncertainties facing the Company which could threaten the business model and future performance, solvency and liquidity of the portfolio. A matrix of these risks, along with the steps taken to mitigate them, is maintained and kept under regular review. The mitigating measures include a schedule of investment limits and restrictions within which the Fund Manager must operate. We do not believe these principal risks to have changed over the course of the year.

The principal risks which have been identified and the steps we have taken to mitigate these are set out below:

- **Investment and strategy**

An inappropriate investment strategy, for example, in terms of asset allocation, level of gearing or use of the options strategy, may result in underperformance against the companies in the peer group, and in the Company's shares trading on a discount.

Investments in Asian markets may be impacted by political, market and financial events resulting in changes to the market value of the Company's portfolio.

We manage these risks by ensuring a diversification of investments and a regular review of the extent of borrowings and options writing. The investment manager operates in accordance with investment limits and restrictions determined by the Board, which include limits on the extent to which borrowings may be employed and the level of options which may be written. We review compliance with limits and monitor performance at each Board meeting.

The Fund Manager maintains a diverse portfolio (sector and country) with buy/sell disciplines and employs suitable quantitative and qualitative metrics, which incorporate environmental, social and governance ('ESG') considerations, for assessing stocks for inclusion or evaluating those already held within the portfolio.

The Board reviews the Key Performance Indicators ('KPI's), portfolio composition and levels of gearing at each meeting.

The Board furthermore maintains an understanding of the Fund Manager's investment process and considers the potential for climate change to impact the value of the portfolio, alongside other factors which may have the same effect.

- **Accounting, legal and regulatory**

The Company is regulated by the Jersey Financial Services Commission, under the Collective Investment Funds (Jersey) Law 1998, and is required to comply with the Companies (Jersey) Law 1991, the UK Listing Rules, and Disclosure Guidance and Transparency Rules issued by the FCA and the Listing Rules of the New Zealand Stock Exchange. To retain investment trust status, the Company must comply with the provisions of s.1158 of the Corporation Tax Act 2010. A breach of company law could result in the Company being subject to criminal proceedings or financial and reputational damage. A breach of the listing rules could result in the suspension of the Company's shares. A breach of s.1158 could result in capital gains realised within the portfolio being subject to corporation tax.

We engage reputable third-party service providers and expect the investment manager to provide investment management, company secretarial, administration and accounting services through qualified professionals. We receive quarterly internal control reports from the investment manager which demonstrate compliance with legal and regulatory requirements and assess the effectiveness of the internal control environment in operation at the investment manager and our key third-party service providers at least annually.

- **Operational**

Disruption to, or the failure of, the investment manager's or the administrator's accounting, dealing, or payment systems or the custodian's records could prevent the accurate reporting or monitoring of the Company's financial position.

The Company may be exposed to cyber risk through vulnerabilities at one or more of its service providers.

We engage reputable third-party service providers and formally evaluates their performance, and terms of appointment, at least annually.

The Audit Committee assesses the effectiveness of internal controls in place at the Company's key third-party service providers through review of their reports on the effectiveness of internal controls, quarterly internal control, reports from the investment manager and monthly reporting on compliance with the investment limits established by the Board.

- **Financial**

The financial risks faced by the Company include market risk (comprising market price, currency risk and interest rate risk), liquidity risk and credit risk.

We determine the investment parameters and monitor compliance with these at each meeting. We review the portfolio liquidity at each meeting and periodically consider the appropriateness of hedging the portfolio against currency risk. The Company is denominated in sterling, but receives dividends in a wide range of currencies from the Asia Pacific region. The income received is therefore subject to the impact of movements in exchange rates. The portfolio remains unhedged.

The Board reviews the portfolio valuation at each meeting.

Investment transactions are carried out with a large number of approved counterparties whose credit standard is periodically reviewed. Limits are set on the amount that may be due from any one counterparty and cash is only held with the custodian or reputable banks.

We review the broad structure of the Company's capital including the need to buy back or allot ordinary shares and the extent to which revenue in excess of that which is required to be distributed, should be retained. Further detail on how we mitigate these risks are set out in note 13 in the annual report.

Viability statement

In keeping with provisions of the Code of Corporate Governance issued by the Association of Investment Companies in 2019 (the 'AIC Code'), we have assessed the prospects of the Company over a period longer than the 12 months required by the going concern provision.

We consider the Company's viability over a five-year period as we believe this is a reasonable timeframe reflecting the longer-term investment horizon for the portfolio, but which acknowledges the inherent shorter term uncertainties in equity markets. As part of the assessment, we have considered the Company's financial position, as well as its ability to liquidate the portfolio and meet expenses as they fall due. The following aspects formed part of our assessment:

- the Company's purpose and investment approach which means we remain a medium to long term investor;
- consideration of the principal risks and uncertainties facing the Company (set out in the table above) and determined that no significant issues had been identified;
- the nature of the portfolio which remained diverse comprising a wide range of stocks which are traded on major international exchanges meaning that, in normal market conditions, over 95% of the portfolio can be liquidated in 2 to 7 days;
- the closed end nature of the Company which does not need to account for redemptions;
- the level of the Company's revenue reserves and size of the banking facility; and
- the expenses incurred by the Company, which are predictable and modest in comparison with the assets and the fact that there are no capital commitments currently foreseen which would alter that position.

As well as considering the principal risks and financial position of the Company, the Board has made the following assumptions:

- an aging population will continue to seek income opportunities through investing;
- investors will continue to wish to have exposure to investing in the Asia Pacific region;
- investors will continue to invest in closed-end funds; and
- the Company will continue to have access to adequate capital when required.

Based on the results of the viability assessment, we have a reasonable expectation that the Company will be able to continue its operations and meet its expenses and liabilities as they fall due for our assessment period of five years. Forecasting over a longer period is imprecise given investments are bought and sold regularly.

Related parties

The Company's current related parties are its directors and the investment manager. There have been no material transactions between the Company and the directors during the year, with the only amounts paid to them being in respect of remuneration. In relation to the provision of services by the investment manager, other than fees payable by the Company in the ordinary course of business and the provision of marketing services, there have been no material transactions with the investment manager affecting the financial position of the Company during the year under review. More details on transactions with the investment manager, including amounts outstanding at the year end, are given in note 19 in the annual report.

Directors' responsibility statements

Each of the directors in office at the date of this report confirms that, to the best of their knowledge:

- the Company's financial statements, which have been prepared in accordance with IFRS as adopted by the European Union on a going concern basis, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and
- the annual report and financial statements include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Ronald Gould
Chairman

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 August 2025			Year ended 31 August 2025		
	Revenue return £'000	Capital return £'000	Total £'000	Revenue return £'000	Capital return £'000	Total £'000
Investment income (note 3)	40,816	-	40,816	45,927	-	45,927
Other income (note 4)	9,793	-	9,793	6,304	-	6,304
Gains/ (losses) on investments held at fair value through profit or loss	-	4,838	4,838	-	(3,715)	(3,715)
Net foreign exchange profit/(loss) excluding foreign exchange gains/ (losses) on investments	-	860	860	-	(84)	(84)
Total income/(loss)	50,609	5,698	56,307	52,231	(3,799)	48,432
Expenses						
Management fees	(1,417)	(1,417)	(2,834)	(1,402)	(1,402)	(2,804)
Other expenses	(698)	(698)	(1,396)	(569)	(568)	(1,137)
Profit/(loss) before finance costs and taxation	48,494	3,583	52,077	50,260	(5,769)	44,491
Finance costs	(745)	(745)	(1,490)	(926)	(926)	(1,852)
Profit/(loss) before taxation	47,749	2,838	50,587	49,334	(6,695)	42,639
Taxation	(5,069)	(406)	(5,475)	(4,000)	690	(3,310)
Profit/(loss) for the year and total comprehensive income	42,680	2,432	45,112	45,334	(6,005)	39,329
Earnings/(losses) per ordinary share – basic and diluted (note 5)	24.98p	1.42p	26.40p	27.83p	(3.68p)	24.15p

The total column of this statement represents the Statement of Comprehensive Income, prepared in accordance with IFRS as adopted by the European Union. The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies.

STATEMENT OF CHANGES IN EQUITY

	Year ended 31 August 2025				
	Stated share capital £'000	Distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 31 August 2024	272,708	177,596	(114,052)	29,852	366,104
Total comprehensive income:					
Profit for the year	-	-	2,432	42,680	45,112
Transactions with owners, recorded directly to equity:					
Dividends paid	-	-	-	(42,701)	(42,701)
Buyback of shares for treasury					
Shares issued	39,252	-	-	-	39,252
Share issue costs	(108)	-	-	-	(108)
Total equity at 31 August 2025	311,852	177,596	(111,620)	29,831	407,659

	Year ended 31 August 2024				
	Stated share capital £'000	Distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000

	£'000				
Total equity at 31 August 2023	268,038	180,471	(108,047)	21,570	362,032
Total comprehensive income:					
(Loss)/profit for the year	-	-	(6,005)	45,334	39,329
Transactions with owners, recorded directly to equity:					
Dividends paid	-	(2,875)	-	(37,052)	(39,927)
Buyback of shares for treasury	(1,721)	-	-	-	(1,721)
Shares issued	6,436	-	-	-	6,436
Share issue costs	(45)	-	-	-	(45)
Total equity at 31 August 2024	272,708	177,596	(114,052)	29,852	366,104
	=====	=====	=====	=====	=====

BALANCE SHEET

	31 August 2025 £'000	31 August 2024 £'000
Non current assets		
Investments held at fair value through profit or loss	439,575	376,896
Current assets		
Other receivables	2,520	3,427
Cash and cash equivalents	24,685	5,482
	-----	-----
	27,004	8,909
	-----	-----
Total assets	466,779	385,805
	-----	-----
Current liabilities		
Investments held at fair value through profit or loss - written options	(6,680)	(988)
Deferred taxation	(67)	(203)
Other payables	(2,550)	(3,210)
Bank loans	(49,591)	(15,300)
	-----	-----
	(58,888)	(19,701)
	-----	-----
Total assets less current liabilities	407,891	366,104
	-----	-----
Non-current liabilities		
Deferred tax liability on Indian capital gains	(232)	-
	(232)	-
	-----	-----
Net assets	407,659	366,104
	=====	=====
Equity attributable to equity shareholders		
Stated share capital	311,852	272,708
Distributable reserve	177,596	177,596
Retained earnings:		
Capital reserves	(111,620)	(114,052)
Revenue reserves	29,831	29,852
	-----	-----
Total equity	407,659	366,104
	=====	=====
Net asset value per ordinary share	223.32p	221.97p
	=====	=====

STATEMENT OF CASH FLOWS

	Year ended 31 August 2025 £'000	Year ended 31 August 2024 £'000
Cash flows from operating activities		
Profit before taxation	50,587	42,639
Add back:		
Finance costs	1,490	1,852
(Gains)/losses on investments held at fair value through profit or loss	(4,838)	3,715
Net foreign exchange (profit)/loss excluding foreign exchange losses on investments	(860)	84
Withholding tax on investment income	(4,934)	(3,425)
(Increase)/decrease in prepayments and accrued income	(92)	1,037
Decrease/(increase) in amounts due from brokers	1,618	(1,618)
Increase in other payables	1,041	11
(Decrease)/Increase in amounts due to brokers	(1,699)	1,699
	-----	-----
Net cash inflow from operating activities	42,313	45,994
	-----	-----
Cash flows from investing activities:		
Sales of investments	492,486	445,964
Purchases of investments	(544,635)	(440,302)
Overseas capital gains tax on sales	(889)	(34)
	-----	-----
Net cash (outflow)/inflow from investing activities	(53,038)	5,628
	-----	-----
Cashflow from financing activities		
Loan drawdown	220,499	92,751
Loan repayment	(186,156)	(105,429)
Equity dividends paid	(42,701)	(39,927)
Buyback of shares for treasury	-	(1,721)
Share issue proceeds	39,021	6,436
Share issue costs	(54)	(45)
Interest paid	(1,490)	(1,852)
	-----	-----
Net cash inflow/(outflow) from financing activities	29,119	(49,787)
	-----	-----
Increase in cash and cash equivalents	18,349	1,835
	-----	-----
Cash and cash equivalents at the start of the year	5,482	3,944
Exchange movements	808	(297)
	-----	-----
Cash and cash equivalents at the end of the year	24,684	5,482
	-----	-----
Net debt		
Cash and cash equivalents	24,684	5,482
Bank loans and overdraft repayable within one year	(49,591)	(15,300)
	-----	-----
Net debt	(24,907)	(9,818)
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS

1. General information

The entity is a closed-end company, registered as a no par value company under the Companies (Jersey) Law 1991, with its shares listed on the London and New Zealand stock exchanges. The Company's registered office is IFC1, The Esplanade, St Helier, Jersey, JE1 4BP and its principal place of business is 201 Bishopsgate, London EC2M 3AE.

The Company was incorporated on 6 November 2006.

2. Material accounting policies

a) Basis of preparation

The Company's financial statements for the year ended 31 August 2025 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ('IFRS'). These comprise standards and interpretations approved by the International Accounting Standards Board, together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee that remain in effect, to the extent that IFRS have been adopted by the European Union.

The financial statements have been prepared on a going concern basis and on the historical cost basis, except for the revaluation of financial assets and liabilities designated as held at fair value through profit and loss.

The financial statements are presented in sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

Where presentational guidance set out in the Statement of Recommended Practice (the 'SORP') by the AIC in July 2022 is consistent with the requirements of IFRS, the directors have sought to prepare the financial statements on a basis consistent with the recommendations of the SORP.

3. Investment income

	2025 £'000	2024 £'000
Overseas investment income	40,816	45,927
	-----	-----
	40,816	45,927
	=====	=====

Analysis of investment income by geography:

Australia	3,461	2,620
China	15,306	23,094
Hong Kong	3,752	4,792
India	1,047	2,501
Indonesia	4,491	3,219
Japan	126	54
New Zealand	-	435
Philippines	35	-
Singapore	1,599	1,627
South Korea	4,508	5,041
Taiwan	5,646	2,026
Thailand	788	244
Vietnam	57	274
	-----	-----
	40,816	45,927
	=====	=====

All of the above income is derived from equity related investments.

4. Other income

	2025 £'000	2024 £'000
Bank and other interest	210	160
Option premium income	9,583	6,144
	-----	-----
	9,793	6,304
	=====	=====

5. Earnings per ordinary share

The earnings per ordinary share figure is based on the net profit for the year of £45,112,000 (2024: £39,329,000) and on the weighted average number of ordinary shares in issue during the year of 170,875,254 (2024: 162,877,255).

The earnings/(losses) per ordinary share figure can be further analysed between revenue and capital, as below:

	2025 £'000	2024 £'000
--	---------------	---------------

Revenue profit attributable to ordinary shares	42,680	45,335
Capital gain/(loss) attributable to ordinary shares	2,432	(6,005)
	-----	-----
Profit attributable to ordinary shares	45,112	39,329
	=====	=====
Weighted average number of ordinary shares in issue during the year	170,875,254	162,887,255
	2525	2024
	Pence	Pence
Revenue earnings per ordinary share	24.98	27.83
Capital gains/(losses) per ordinary share	1.42	(3.68)
	-----	-----
Total earnings per ordinary share	26.40	24.15
	=====	=====

The Company has no securities in issue that could dilute the return per ordinary share. Therefore the basic and diluted earnings per ordinary share are the same.

9. Dividends

Dividends	Record date	Pay date	2025		2024	
			Revenue Reserve £'000	Distributable Reserve £'000	Revenue Reserve £'000	Distributable Reserve £'000
Fourth interim dividend 6.10p for the year ended 2023	27 Oct 2023	24 Nov 2023	-	-	7,067	2,875
First interim dividend 6.10p for the year ended 2024	26 Jan 2024	23 Feb 2024	-	-	9,924	-
Second interim dividend 6.10p for the year ended 2024	26 Apr 2024	31 May 2024	-	-	9,893	-
Third interim dividend 6.20p for the year ended 2024	26 Jul 2024	30 Aug 2024	-	-	10,168	-
Fourth interim dividend 6.20p for the year ended 2024	25 Oct 2024	29 Nov 2024	10,255	-	-	-
First interim dividend 6.20p for the year ended 2025	31 Jan 2025	28 Feb 2025	10,401	-	-	-
Second interim dividend 6.20p for the year ended 2025	2 May 2025	30 May 2025	10,714	-	-	-
Third interim dividend 6.25p for the year ended 2025	25 Jul 2025	29 Aug 2025	11,331	-	-	-
			-----	-----	-----	-----
			42,701	-	37,052	2,875
			=====	=====	=====	=====

The total dividends payable in respect of the financial year which form the basis of s.1158 of the Corporation Tax Act 2010 are set out below:

	2025	2024
	£'000	£'000
Revenue available for distribution by way of dividend for the year	42,680	45,334
First interim dividend of 6.20p (2024: 6.10p) paid 28 February 2025 (23 February 2024)	(10,401)	(9,924)
Second interim dividend of 6.20p (2024 : 6.10p) paid 30 May 2025 (31 May 2024)	(10,714)	(9,893)
Third interim dividend of 6.25p (2024: 6.20p) paid 29 August 2025 (30 August 2024)	(11,331)	(10,168)
Fourth interim dividend for the year ended 31 August 2025 of 6.25p (2024: 6.20p) (based on 188,414,679 shares in issue at 30 October 2025) (2024: 165,402,179)	(11,776)	(10,255)
(Transfer from revenue reserve)/undistributed revenue for s.1158 purposes	(1,542)	5,094
	=====	=====

7. Net asset value per share

The basic net asset value per ordinary share and the net asset value attributable to ordinary shareholders at the year end calculated in accordance with the articles of association were as follows:

	2025	2025	2024	2024
	Net asset value per share pence	Net asset value attributable £'000	Net asset value per share pence	Net asset value attributable £'000
Ordinary shares	223.32 =====	407,659 =====	221.97 =====	366,104 =====

The basic net asset value per ordinary share is based on 182,544,679 (2024: 164,937,179) ordinary shares, being the number of ordinary shares in issue.

The movements during the year in net assets attributable to the ordinary shares were as follows:

	2025 £'000	2024 £'000
Net assets attributable to ordinary shares at beginning of year	366,104	362,032
Total net profit after taxation	45,112	39,329
Dividends paid	(42,701)	(39,927)
Buyback of shares for treasury	-	(1,721)
Issue of ordinary shares net of issue costs	39,144	6,391
	407,659 =====	=====

8. Stated share capital		2025		2024	
	Authorised	Number of shares issued and fully paid	£'000	Number of shares issued and fully paid	£'000
Opening balance at 1 September					
Ordinary shares of no par value	Unlimited	164,937,179	272,708	162,988,564	268,038
Buyback of shares for treasury		-	-	(806,385)	(1,721)
Issued during the year		17,607,500	39,252	2,755,000	6,436
Share issue costs		-	(108)	-	(45)
Closing balance at 31 August		182,544,679 =====	311,852 =====	164,937,179 =====	272,708 =====

The holders of ordinary shares are entitled to all the capital growth in the Company and all the income from the Company that is resolved by the directors to be distributed. Each shareholder present at a general meeting has one vote on a show of hands and on a poll every member present in person or by proxy has one vote for each share held. The Company has no significant or controlling shareholders.

During the year, the Company issued 17,607,500 (2024: 2,755,000) shares for the proceeds of £39,144,000 (2024: £6,391,000) net of costs. There was no shares repurchased for treasury in the year (2024: 806,385 repurchased) at a cost of £nil (2024: £1,721,000).

9. Subsequent events

On 21 October 2025, the Company announced the fourth interim dividend of 6.25p per ordinary share in respect of the year ended 31 August 2025. The dividend will be paid on 28 November 2025 to shareholders on the register at 31 October 2025 (the record date). The shares traded ex-dividend on 30 October 2025.

As at 7 November 2025, being the latest practicable date prior to the publication of this report, a further 6,270,000 ordinary shares have been issued.

10. Going concern

The directors have determined that it is appropriate to prepare the financial statements on a going concern basis and have concluded that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. In coming to this conclusion, the directors have considered the nature of the portfolio, being that the securities held are readily realisable, the size and covenants of the Company's bank overdraft and the strength of its distributable reserves. As part of their usual assessment of risks facing the Company, the directors considered the macro-economic and geopolitical environment, as well as the possible impact of climate change risk on the value of the portfolio. The directors have concluded that the Company is able to meet its financial obligations, including the repayment of the loan facility, as they fall due for a period of at least twelve months from the date of this report, being 10 November 2026.

11. Financial information for 2024 and 2025

The figures and financial information for the years ended 31 August 2024 and 31 August 2025 are compiled from an extract of the latest financial statements and do not constitute statutory accounts. These financial statements included the report of the auditors which was unqualified.

13. Annual Report 2025

The Company's annual report and financial statements for the year ended 31 August 2025 includes the Notice of Annual General Meeting. The annual report is being published in hard copy format and will be posted to shareholders in November 2025. An electronic copy will shortly be available to view and download from the Company's website: www.hendersonfareastincome.com. Hard copies are available on request from the corporate secretary at ITSecretariat@janushenderson.com.

The Fund Manager discusses the financial results in a video available at www.hendersonfareastincome.com

The annual report, including the Notice of Annual General Meeting and the form of proxy, will shortly be uploaded to the Financial Conduct Authority's National Storage Mechanism and will be available for inspection at: <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

14. Annual General Meeting ('AGM')

The AGM will be held on 20 January 2026 at 12.30 pm. The Board invites shareholders to attend the meeting at 201 Bishopsgate, London EC2M 3AE, or via videoconference if preferable. Only shareholders present in person or by proxy will be able to participate in the vote. The Fund Manager will present his review of the year and thoughts on the future and will be pleased to answer your questions, as will the Board.

Instructions on attending the meeting in person or virtually, and details of resolutions to be put to the AGM, are included in the Notice of AGM in the annual report and are available at www.hendersonfareastincome.com.

15. General Information

Company Status

The Company was incorporated in Jersey in 2006, number 95064, and is a closed-end investment company. The Company is regulated by the Jersey Financial Services Commission under the Collective Investment Funds (Jersey) Law 1998. It is listed on the London and New Zealand stock exchanges and became UK tax resident with effect from 1 September 2018.

SEDOL/ISIN: B1GXH75/JE00B1GXH751

London Stock Exchange (TIDM) code: HFEL

New Zealand Stock Exchange code: HFL

Global Intermediary Identification Number (GIIN): NTTIYP.99999.SL.832

Legal Entity Identifier (LEI): 2138008DIQREOD38O596

Directors and Secretary

The directors of the Company are Ronald Gould (Chairman), Nicholas George (Chairman of the Audit Committee), Timothy Clissold, Carole Ferguson, Susan Rippingall and Steven Wilderspin. The Corporate Secretary is Janus Henderson Secretarial Services UK Limited. The registered office is IFC1, The Esplanade, St Helier, Jersey, JF1 4BP. The Company's principal place of business is 201 Bishopsgate, London, EC2M 3AE.

Website

Details of the Company's share price and net asset value, together with general information about the Company, monthly factsheets and data, copies of announcements, reports and details of general meetings can be found at www.hendersonfareastincome.com

For further information please contact:

Sat Duhra
Fund Manager
Henderson Far East Income Limited
Telephone: 020 7818 5919

Dan Howe
Head of Investment Trusts
Janus Henderson Investors
Telephone: 020 7818 4458

Harriet Hall
PR Manager
Janus Henderson Investors
Telephone: 020 7818 2919

Neither the contents of the Company's website nor the contents of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into, or forms part of, this announcement.