LEGAL ENTITY IDENTIFIER: 2138008DIQREOD38O596

HENDERSON FAR EAST INCOME LIMITED

Unaudited results for the half-year ended 28 February 2023

This announcement contains regulated information

INVESTMENT OBJECTIVE

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

PERFORMANCE

Total return performance *(including dividends reinvested and excluding transaction costs)*

	6 months	1 year	3 years	5 years	10 years
	%	%	%	%	%
NAV[1]	**-4.0**	-2.1	2.5	0.6	40.3
Share price[2]	**-1.0**	0.6	8.5	3.1	43.8
AIC sector[3] average NAV	**-1.1**	1.0	24.6	23.5	96.4
FTSE All-World Asia Pacific ex Japan Index*	**-4.5**	-1.5	18.2	18.6	82.1
MSCI AC Pacific ex Japan High Dividend Yield Index*	**-0.1**	4.1	22.1	18.7	57.2

*The Company does not have a formal benchmark. It uses the FTSE All-World Asia Pacific ex Japan and MSCI AC Asia Pacific ex Japan High Dividend Yield indices (sterling adjusted) for comparison purposes only.

Financial highlights	**at 28 February 2023**	at 31 August 2022
NAV per ordinary share	**257.71p**	281.11p
Share price	**266.00p**	281.00p
Net assets	**£410,495,000**	£435,576,000
Premium[4]	**3.2%**	0.0%
Dividend yield	**9.0%[5]**	8.5%[6]

1. Net asset value per ordinary share total return
2. Share price total return using closing price
3. The AIC sector is the Asia Pacific Equity Income sector
4. The premium expresses, as a percentage, the difference between the closing mid-market share price and net asset value, including current year revenue, as at the period end date
5. Dividend yield based on a share price of 266.00p and dividends for the twelve months to 28 February 2023 totalling 24.00p per ordinary share
6. Dividend yield based on a share price of 281.00p and dividends for the twelve months to 31 August 2022 totalling 23.80p per ordinary share

Sources: Morningstar Direct, Refinitiv Datastream

INTERIM MANAGEMENT REPORT

CHAIRMAN'S STATEMENT

To say that we are in the midst of challenging times is clearly an understatement as we make our way through the impact of a war in Europe, recovery from a global pandemic, a dramatic increase in inflation and an ensuing rise in interest rates. In addition, we continue to face geopolitical concerns relating to Greater China and a banking crisis that may or may not be over just yet.

Our Fund Managers have made more detailed comments in their report and they suggest that while our forecasts are taking longer to come to fruition, they are still supportive of the longer term positive outlook that we have described on other occasions in the recent past. From among the many areas that deserve comment at the moment, there are three that I want to mention now. The first are concerns about the financial sector, not just banks. Holders of AT1 bonds have been badly frightened by the Credit Suisse ('CS') debacle and for good reason. Their treatment in the CS windup is contrary to most expectations and has caused a number of large writedowns. Mid-sized banks have also become a focus of concern in markets around the world and regulators are taking a more careful look at how such institutions have and are being supervised. But these are systemic issues, not portfolio problems. Our exposure to the banking sector is limited to a few of the best capitalised firms, all with strong central bank support. If anything, they are likely to benefit from a shift to quality over time.

The second area on which I want to comment is Greater China, an area that holds considerable importance to our thinking as investors because of the complex relationships between the People's Republic of China, Taiwan and Hong Kong. These relationships have been increasingly fraught and the geopolitical risks associated with these investments have grown. As part of our ongoing review of investment exposures, the Board has recently considered our various positions in Greater China. We have examined the overall exposure, the relative importance of each of the three markets and the details of political risk. That has been a serious and considered review, one that has asked hard questions about the future. While there are no perfect answers, our review has led us to a positive conclusion about Greater China risk over the intermediate term. These markets may continue to have higher volatility, but their direction of growth remains positive.

Performance

Performance in both capital and income terms is the third area on which I wanted to comment. In the six months to 28 February 2023, Asian markets continued to be dominated by China and its rapid consumption-driven recovery following the lifting of Covid-19 restrictions. However, partly as a result of political tensions in the area, this economic recovery led to considerable profit taking in Chinese securities over the course of February. Accordingly, the total return of the FTSE All-World Asia Pacific ex Japan Index was -4.5%. Indian equities also retreated, the FTSE All-World India Index delivering a total return of -14.6%, in the light of possible economic tightening and compounded by the Adani debacle. Across the region, previously defensive winners, such as telecommunications, gave way to a cyclical recovery and our exposure here detracted from performance.

Your Company's performance over the same period reflected these shifts in global markets, with the net asset value total return performance at -4.0%, only slightly above the broad index and 3.9% behind the MSCI AC Asia Pacific ex Japan High Dividend Yield Index. Our Fund Managers provide further insight in their report into the sectors and stocks driving the performance.

Over a longer period of time, the Company aims to produce growth in both income and capital and that very much remains our objective. While we have achieved that result for total returns on a 3, 5 and 10 year basis, that has not been true for capital return alone. Our investment strategy should be leading to an improvement in capital returns as we look ahead and we remain alert to the importance of improvement in this area for shareholders.

Dividends

Despite ever shifting market conditions, income from the portfolio has been solid and we have continued our practice of paying four interim dividends for each financial year. The first and second interim dividends for the year ending 31 August 2023 have been declared in the amount of 6.00p per ordinary share, which is a 1.7% increase on the same period last year.

Share issuance
Demand for the Company's shares has been strong too in the financial year-to-date. We have issued just under 4.5m shares in the six months to 28 February 2023, at premiums broadly ranging from 2.0% to 3.9%. This reflects the strength of the Company's yield and the positive outlook for the region, compared to the rest of the global economy.

Board composition
Each year we consider the composition of the Board and whether the skills and backgrounds represented remain an appropriate mix for bringing robust oversight to the operations of the Company. Following this review earlier in the year, we have taken the decision to recruit a further director with investment management experience in the Asian markets. This process is at a very early stage and I look forward to providing you with an update on this process later in the year.

Outlook
The year ahead will hold many challenges but, on balance, we believe the prospects for improved earnings growth and dividend increases are positive. To a large extent, this is driven by the positive impact of a recovering China on the entire region. As the key economy in Asia Pacific, China's improving prospects energise many other markets. China is the region's biggest trading partner, its biggest consumer and its biggest investor. The recovery of China's economy is gaining confidence, with a positive impact on companies across the region. In turn, this is fuelling the ability to expand dividends in a wide range of companies, a far broader dividend growth picture that will benefit our portfolio. With attractive valuations providing opportunities across the region, we expect 2023/24 to be a more satisfying investment environment for your Company, something to which we can all look forward to achieving.

Ronald Gould
Chairman
19 April 2023

FUND MANAGERS' REPORT

Review

Over the last few years market direction has been dictated by global themes with equity markets dancing to the tune of the latest piece of economic or geopolitical news interspersed with occasional euphoria at the 'next big thing'. The last six months have been no different and featured a dramatic change of Covid policy in China, ongoing discussion of where interest rates would peak in the US, heightened tension between China and the US and more recently some real evidence of the pressures that a rapidly rising interest rate environment could have on the financial sector with the demise of Silicon Valley Bank and, more importantly, Credit Suisse. The euphoria was provided by Artificial Intelligence ('AI') and Chat GPT with connected share prices quick to extrapolate the opportunity irrespective of the benefit.

Despite the above events and a fairly bumpy ride, the MSCI World Index finished the period up 0.2% in sterling terms with a big discrepancy between the returns of the S&P 500 (down 2.7%) and MSCI Europe (up 13.2%). The FTSE All-World Asia Pacific ex Japan Index was -4.5%, which is disappointing considering some obvious catalysts from China re-opening. The performance of the Chinese market is particularly perplexing, falling 6.5% in sterling terms, driven mainly by the consumer discretionary and internet sectors. Although the economic momentum following the re-opening has been positive, the average Chinese consumer has been less willing to participate in 'revenge spending' than their western peers and this has disappointed some commentators who expected a more dramatic response following almost three years of lockdown. The tension with the US over Taiwan and semiconductors did not help sentiment while corporate results for the second half of 2022 were below expectation, indicating just how weak the economy had become. We believe investors need to see more evidence of economic and corporate recovery which we expect to manifest itself in the quarters ahead.

The worst performing market over the period was India, where a corporate scandal and historically high valuations combined to produce a 14.6% decline. The short seller report on the Adani Group accused the companies of India's richest man of accounting manipulation that inflated the value of its assets. Although vehemently denied, the price of the flagship Adani Enterprises fell over 60% following the report.

The best performing markets were Australia, Singapore and Taiwan, with the latter benefitting from the improving outlook for semiconductors and especially those companies exposed to the Artificial Intelligence ('AI') opportunity. The strength of materials, especially iron ore and steel, boosted Australia while the stability of Singapore helped ride out the volatility. At the sector level, materials was the only one in positive territory driven mainly by companies exposed to iron ore and steel. Technology also performed well as hardware companies offset the weakness in the Chinese internet names. Consumer discretionary, energy and industrials were the worst performers and a function of the market's disappointment at the pace of the Chinese economic recovery.

Performance

The net asset value total return was -4.0% in sterling terms over the period, outperforming the regional index[1] but behind the high yield index[2] and peers.

The portfolio benefitted from the strong performance of financials in Korea, Hong Kong/China, Australia and Indonesia, as well as from the strength of Australian resource stocks BHP Group and Rio Tinto Limited. With the oil price falling 15% and gas prices negatively impacted by the warmer than expected European winter, the Australian energy companies Santos and Woodside Energy were detractors from performance. The portfolio was further impacted by the weakness of Chinese consumer companies and, surprisingly, by telecommunications stocks in Indonesia, Korea and Singapore which failed to provide their usual stability in a volatile environment.

Revenue

The income from investments fell 6.9% from the same period last year, while income from option writing increased by 24.2%. Total income therefore fell by 3.9% compared to last year.

The decrease in investment income can be attributed to the 4% appreciation of sterling but also to some Australian companies going ex-dividend in March this year compared to February last year. The increase in option premium was a function of higher volatility over the period but also one additional option was written. At the period end, four option positions remained open.

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[1] FTSE All-World Asia Pacific ex Japan Index

[2] MSCI AC Asia Pacific ex Japan High Dividend Yield Index

Strategy
Throughout the period our core belief has been that China re-opening would be positive for the region as a whole, but especially beneficial for consumption trends and for the resource and energy sectors as an increase in China demand would offset slowing demand in the west. Following a period of outperformance, we have been trimming telecommunications stocks in order to facilitate a greater focus on consumer sectors.

In China, we added white goods manufacturer Midea and local sportswear brand Anta to the portfolio and increased weightings in AIA Insurance, Ping An Insurance and Guangdong Investment. These were partly funded by the sale of Zijin Mining and a reduction in the weightings of JD.com and China Shenhua Energy.

Elsewhere, we added lithium miner Pilbara Minerals in Australia and logistics company Goodman Group, along with Hana Financial and Samsung Fire and Marine in Korea.

Positions in Mediatek, Hindustan Petroleum and OZ Minerals – following the takeover by BHP Group – have been removed from the portfolio while KT Corporation, HK Trust, Telkom Indonesia and Spark New Zealand have been reduced. At the end of the period gearing was 5.2%.

Outlook
We remain positive on the outlook for the Asia Pacific region for 2023 and into 2024. As China continues to recover, the growth differential between Asia and the rest of the world will widen, increasing the attractiveness of shares in the region compared to their western peers. Valuations continue to be attractive and there are plenty of opportunities to accumulate quality companies which are growing their earnings and increasing their dividends.

China remains key for the region's success, and we are confident that the encouraging signs we have seen so far will continue throughout the year. This will be beneficial for all countries in the region with Australia, Korea, Taiwan and Hong Kong being the most obvious beneficiaries. Our preference is for companies in North Asia, rather than ASEAN, and India with an emphasis on domestic rather than global trends.

The outlook for dividends in the region remains robust. Although the windfall from higher oil, gas and materials prices will not be as abundant this year as it was last year, it will be supplemented by a greater contribution from sectors that were under pressure in 2022. As a result, we expect the breadth of dividend contribution to widen this year and even more so in 2024.

Mike Kerley and Sat Duhra
Fund Managers
19 April 2023

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties associated with the Company's business can be divided into the following main areas:

- Investment and strategy – adopting an inappropriate investment strategy or underperformance for an extended period leading to a wide discount;
- Accounting, legal and regulatory – failure to maintain accurate accounting records or a breach of legal or regulatory requirements resulting in financial or reputational loss;
- Operational – disruption to or failure of a third-party service provider;
- Financial – changes in market prices, currency exchange rates, interest rates or poor liquidity or counterparty management.

Further information on these risks and how they are managed is given in the annual report for the year ended 31 August 2022. In the view of the Board these principal risks and uncertainties are as applicable to the remaining six months of the financial year as they were to the six months under review.

DIRECTORS' RESPONSIBILITY STATEMENT

The directors (listed in note 13) confirm that, to the best of their knowledge:

- the unaudited condensed set of financial statements has been prepared in accordance with IAS 34 – Interim Financial Reporting ('IAS 34') and gives a true and fair view of the assets, liabilities, financial position and profit or loss of the Company as required by Disclosure Guidance and Transparency Rule ('DTR') 4.2.4R;

- the interim management report includes a fair review of the information required:

  – by DTR 4.2.7R (indication of important events during the first six months of the financial year, and their impact on the unaudited condensed set of financial statements, and a description of principal risks and uncertainties for the remaining six months of the year); and

  – by DTR 4.2.8R (disclosure of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Company during the period; and any changes in related party transactions described in the latest annual report that could have an impact in the first six months of the current financial year).

Legislation in Jersey governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions. The directors remain responsible for establishing and controlling the process for doing so, and for ensuring that the financial statements are complete and unaltered in any way.

On behalf of the Board
Ronald Gould
Chairman
19 April 2023

INVESTMENT PORTFOLIO at 28 February 2023

	Company	Country of incorporation	Sector	Valuation £'000	% of portfolio
1	BHP Group Limited	Australia	Basic Materials	17,824	4.11
2	Woodside Energy	Australia	Energy	17,566	4.05
3	Macquarie Group	Australia	Financials	16,300	3.76
4	Samsung Electronics[1]	South Korea	Technology	16,046	3.70
5	Macquarie Korea Infrastructure Fund	South Korea	Financials	13,941	3.21
6	Rio Tinto Limited	Australia	Basic Materials	13,941	3.21
7	United Overseas Bank	Singapore	Financials	13,804	3.18
8	Digital Telecommunications Infrastructure Fund	Thailand	Telecommunications	13,119	3.02
9	VinaCapital Vietnam Opportunity Fund	Vietnam[2]	Financials	12,504	2.88
10	Taiwan Semiconductor Manufacturing[3]	Taiwan	Technology	12,134	2.80
	Top Ten Investments			**147,179**	**33.92**
11	Midea Group	China	Consumer Discretionary	11,426	2.63
12	CITIC Securities	China	Financials	11,332	2.61
13	Santos	Australia	Energy	11,313	2.61
14	AIA Group	Hong Kong	Financials	11,138	2.57
15	Guangdong Investments	Hong Kong	Utilities	9,967	2.30
16	Hana Financial	South Korea	Financials	9,919	2.29
17	Hon Hai Precision Industry	Taiwan	Technology	9,720	2.24
18	Singapore Telecommunications	Singapore	Telecommunications	9,135	2.11
19	Bank Mandiri	Indonesia	Financials	9,121	2.10
20	HKT Trust & HKT	Hong Kong	Telecommunications	9,102	2.10
	Top Twenty Investments			**249,352**	**57.48**
21	Industrial Bank	China	Financials	9,060	2.09
22	SK Telekom[3]	South Korea	Telecommunications	8,906	2.05
23	Samsung Fire & Marine	South Korea	Financials	8,817	2.03
24	Goodman Group	Australia	Real Estate	8,757	2.02
25	PT Telkom	Indonesia	Telecommunications	8,755	2.02
26	JD.com	China	Consumer Discretionary	8,596	1.97
27	CapitaLand Integrated Commercial Trust	Singapore	Real Estate	8,542	1.97
28	Oil & Natural Gas	India	Energy	8,412	1.94
29	Mapletree Logistics	Singapore	Real Estate	8,292	1.91
30	Sun Hung Kai Properties	Hong Kong	Real Estate	8,212	1.89
	Top Thirty Investments			**335,701**	**77.37**
31	KB Financial	South Korea	Financials	8,008	1.85
32	Spark New Zealand	New Zealand	Telecommunications	7,964	1.84
33	LG Corp	South Korea	Industrials	7,581	1.75
34	China National Building Material Group	China	Industrials	7,448	1.72
35	Ping An Insurance	China	Financials	6,921	1.60
36	Dexus	Australia	Real Estate	6,842	1.57
37	Li-Ning	China	Consumer Discretionary	6,768	1.56
38	China Shenhua Energy	China	Basic Materials	6,358	1.47
39	Mega Financial	Taiwan	Financials	6,254	1.44
40	KT Corporation	South Korea	Telecommunications	5,940	1.37
	Top Forty Investments			**405,785**	**93.54**

	Company	Country of incorporation	Sector	Valuation £'000	% of portfolio
41	Anta Sports	China	Consumer Discretionary	5,797	1.34
42	CapitaLand Ascendas REIT	Singapore	Real Estate	5,704	1.31
43	China Yongda Automobiles	China	Consumer Discretionary	4,872	1.12
44	IGO	Australia	Basic Materials	4,774	1.10
45	Swire Properties	Hong Kong	Real Estate	4,199	0.97
46	Pilbara Minerals	Australia	Basic Materials	3,887	0.90
47	China Forestry	China	Basic Materials	-	-
48	Ping An Insurance Put 51.4 (expiry 06/04/23)	China	Financials	(213)	(0.05)
49	Pilbara Minerals Put 3.75 (expiry 29/05/23)	Australia	Basic Materials	(225)	(0.05)
50	Anta Sports Put 101 (expiry 15/05/23)	China	Consumer Discretionary	(273)	(0.06)
	Top Fifty Investments			**434,307**	**100.12**
51	Hana Financial Holdings Call 473 (expiry 22/05/23)	South Korea	Financials	(505)	(0.12)
	Total Investments			**433,802**	**100.00**

1. Preferred shares
2. Incorporated in Guernsey with 100% exposure to Vietnam
3. American Depositary Receipts

GEOGRAPHIC EXPOSURE

Geographic exposure	Portfolio at 28 February 2023 %	Portfolio at 31 August 2022 %
Australia	**23.3**	24.3
South Korea	**18.1**	13.4
China	**18.0**	17.1
Singapore	**10.5**	10.2
Hong Kong	**9.8**	9.4
Taiwan	**6.5**	9.3
Indonesia	**4.1**	5.2
Thailand	**3.0**	3.1
Vietnam	**2.9**	3.2
India	**2.0**	1.9
New Zealand	**1.8**	2.9
Total	**100.0**	100.0

SECTOR EXPOSURE

Sector exposure	Portfolio at 28 February 2023 %	Portfolio at 31 August 2022 %
Financials	**31.4**	25.8
Telecommunications	**14.5**	19.9
Real Estate	**11.6**	8.6
Basic Materials	**10.8**	15.6
Technology	**8.7**	9.7
Energy	**8.6**	9.6
Consumer Discretionary	**8.6**	5.9
Industrials	**3.5**	3.7
Utilities	**2.3**	1.2
Total	**100.0**	100.0

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	Half-year ended 28 February 2023 (Unaudited)			Half-year ended 28 February 2022 (Unaudited)			Year ended 31 August 2022 (Audited)		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	Revenue return £'000	Capital return £'000	Total return £'000	Revenue return £'000	Capital return £'000	Total return £'000
Investment income	**10,143**	**-**	**10,143**	10,895	-	10,895	40,646	-	40,646
Other income	**1,382**	**-**	**1,382**	1,093	-	1,093	2,925	-	2,925
Losses on investments held at fair value through profit or loss	**-**	**(24,791)**	**(24,791)**	-	(8,841)	(8,841)	-	(22,592)	(22,592)
Net foreign exchange losses excluding foreign exchange gains/(losses) on investments	**-**	**(986)**	**(986)**	-	(509)	(509)	-	(4,552)	(4,552)
Total income	**11,525**	**(25,777)**	**(14,252)**	11,988	(9,350)	2,638	43,571	(27,144)	16,427
Expenses									
Management fees	**(749)**	**(749)**	**(1,498)**	(853)	(853)	(1,706)	(1,679)	(1,679)	(3,358)
Other expenses	**(273)**	**(273)**	**(546)**	(301)	(301)	(602)	(567)	(567)	(1,134)
Profit/(loss) before finance costs and taxation	**10,503**	**(26,799)**	**(16,296)**	10,834	(10,504)	330	41,325	(29,390)	11,935
Finance costs	**(248)**	**(248)**	**(496)**	(52)	(52)	(104)	(200)	(200)	(400)
Profit/(loss) before taxation	**10,255**	**(27,047)**	**(16,792)**	10,782	(10,556)	226	41,125	(29,590)	11,535
Taxation	**(1,428)**	**159**	**(1,269)**	(875)	45	(830)	(4,023)	445	(3,578)
Profit/(loss) for the period and total comprehensive income	**8,827**	**(26,888)**	**(18,061)**	9,907	(10,511)	(604)	37,102	(29,145)	7,957
Earnings/(losses) per ordinary share basic and diluted (note 2)	**5.64p**	**(17.18p)**	**(11.54p)**	6.55p	(6.95p)	(0.40p)	24.41p	(19.18p)	5.23p

The total column of this statement represents the Condensed Statement of Comprehensive Income of the Company, prepared in accordance with IAS 34.

The revenue return and capital return columns are supplementary to this and are prepared under guidance published by the Association of Investment Companies ('AIC'). All items in the above statement derive from continuing operations.

All income is attributable to the equity shareholders of the Company. There are no minority interests.

CONDENSED STATEMENT OF CHANGES IN EQUITY

	Half-year ended 28 February 2023 (Unaudited)				
	Stated capital £'000	**Distributable reserve £'000**	**Capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
Total equity at 31 August 2022	**246,997**	**180,471**	**(18,588)**	**26,696**	**435,576**
Total comprehensive income:					
(Loss)/profit for the period	**-**	**-**	**(26,888)**	**8,827**	**(18,061)**
Transactions with owners, recorded directly to equity:					
Dividends paid	**-**	**-**	**-**	**(18,780)**	**(18,780)**
Shares issued	**11,782**	**-**	**-**	**-**	**11,782**
Share issue costs	**(22)**	**-**	**-**	**-**	**(22)**
Total equity at 28 February 2023	**258,757**	**180,471**	**(45,476)**	**16,743**	**410,495**

	Half-year ended 28 February 2022 (Unaudited)				
	Stated capital £'000	Distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 31 August 2021	235,955	180,471	10,557	25,661	452,644
Total comprehensive income:					
(Loss)/profit for the period	-	-	(10,511)	9,907	(604)
Transactions with owners, recorded directly to equity:					
Dividends paid	-	-	-	(17,845)	(17,845)
Shares issued	1,415	-	-	-	1,415
Share issue costs	(3)	-	-	-	(3)
Total equity at 28 February 2022	237,367	180,471	46	17,723	435,607

	Year ended 31 August 2022 (Audited)				
	Stated capital £'000	Distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 31 August 2021	235,955	180,471	10,557	25,661	452,644
Total comprehensive income:					
(Loss)/profit for the period	-	-	(29,145)	37,102	7,957
Transactions with owners, recorded directly to equity:					
Dividends paid	-	-	-	(36,067)	(36,067)
Shares issued	11,064	-	-	-	11,064
Share issue costs	(22)	-	-	-	(22)
Total equity at 31 August 2022	246,997	180,471	(18,588)	26,696	435,576

CONDENSED BALANCE SHEET

	28 February 2023 (Unaudited) £'000	28 February 2022 (Unaudited) £'000	31 August 2022 (Audited) £'000
Non-current assets			
Investments held at fair value through profit or loss (note 8)	**435,018**	449,289	438,527
	-------------	------------	------------
Current assets			
Other receivables	**6,833**	24,908	3,673
Cash and cash equivalents	**11,711**	7,716	14,310
	-------------	------------	------------
	18,544	32,624	17,983
	-------------	------------	------------
Total assets	**453,562**	481,913	456,510
	-------------	------------	------------
Current liabilities			
Investments held at fair value through profit or loss - written options (note 8)	**(1,216)**	-	(1,031)
Deferred taxation	**(161)**	-	(155)
Other payables	**(4,410)**	(12,728)	(2,542)
Bank loans and overdrafts	**(37,280)**	(33,578)	(17,206)
	-------------	------------	------------
	(43,067)	(46,306)	(20,934)
	-------------	------------	------------
Net assets	**410,495**	435,607	435,576
	========	======	======
Equity attributable to equity shareholders			
Stated share capital	**258,757**	237,367	246,997
Distributable reserve	**180,471**	180,471	180,471
Retained earnings:			
Capital reserves	**(45,476)**	46	(18,588)
Revenue reserve	**16,743**	17,723	26,696
	-------------	------------	------------
Total equity	**410,495**	435,607	435,576
	========	=======	=======
Net asset value per ordinary share (note 3)	**257.71p**	287.40p	281.11p
	========	=======	=======

CONDENSED STATEMENT OF CASH FLOWS

	Half-year ended 28 February 2023 (Unaudited) £'000	Half-year ended 28 February 2022 (Unaudited) £'000	Year ended 31 August 2022 (Audited) £'000
Operating activities			
(Loss)/profit before taxation	**(16,792)**	226	11,535
Add back:			
Finance costs	**496**	104	400
Losses on investments held at fair value through profit or loss	**24,791**	8,841	22,592
Net foreign exchange losses excluding foreign exchange losses on investments	**986**	509	4,552
Sales of investments	**96,058**	181,314	449,586
Purchases of investments	**(116,170)**	(177,359)	(447,589)
(Increase)/decrease in prepayments and accrued income	**(1,588)**	701	1,876
Increase in amounts due from brokers	**(855)**	(20,245)	(37)
Decrease in other payables	**(2,001)**	(1,263)	(435)
Increase in amounts due to brokers	**2,666**	11,039	-
Net cash (outflow)/inflow from operating activities before interest and taxation	**(12,409)**	3,867	42,480
Interest paid	**(309)**	(105)	(376)
Withholding tax on investment income	**(885)**	(921)	(3,662)
Net cash (outflow)/inflow from operating activities after interest and taxation	**(13,603)**	2,841	38,442
Financing activities			
Loan drawdown	**50,143**	48,154	88,078
Loan repayment	**(28,784)**	(40,304)	(100,658)
Equity dividends paid	**(18,780)**	(17,845)	(36,067)
Share issue proceeds	**10,718**	1,415	11,064
Share issue costs	**(22)**	(3)	(22)
Net cash inflow/(outflow) from financing activities	**13,275**	(8,583)	(37,605)
(Decrease)/increase in cash and cash equivalents	**(328)**	(5,742)	837
Cash and cash equivalents at the start of the period/year	**14,310**	13,693	13,693
Exchange movements	**(2,271)**	(235)	(220)
Cash and cash equivalents at the end of the period/year	**11,711**	7,716	14,310
Net debt			
Cash and cash equivalents	**11,711**	7,716	14,310
Bank loans and overdraft repayable within one year	**(37,280)**	(33,578)	(17,206)
Net debt	**(25,569)**	(25,862)	(2,896)

Notes to the condensed financial statements

1. Accounting Policies:

(a) Basis of preparation
The condensed interim financial statements have been prepared on a going concern basis in accordance with IAS 34 and the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority.

The annual report and financial statements for the year ended 31 August 2022 were prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union. Where presentational guidance as set out in the Statement of Recommended Practice (the 'SORP') for investment trusts issued by the Association of Investment Companies (the 'AIC') in April 2021 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. The unaudited results for the half-year ended 28 February 2023 have been prepared in accordance with the same accounting policies as those applied in the Company's financial statements for the year ended 31 August 2022.

There has been no change to the segmental reporting assessment compared to the 31 August 2022 financial statements.

These condensed financial statements do not include all information required for a full set of financial statements. The figures and financial information for the year ended 31 August 2022 are an extract based on the published financial statements and should be read in conjunction with them.

The condensed financial statements for the half-years ended 28 February 2023 and 28 February 2022 have not been audited or reviewed by the auditor.

(b) Investments held at fair value through profit or loss
All investments are classified upon initial recognition as held at fair value through profit or loss and are measured initially and subsequently at fair value. These financial assets are designated on the basis that they are part of a group of financial assets which are managed and have their performance evaluated on a fair value basis. Financial assets are recognised/de-recognised at the trade date of the purchase/disposal. Proceeds will be measured at fair value, which will be regarded as the proceeds of sale less any transaction costs. The fair value of the financial assets is based on their quoted bid price at the balance sheet date, without deduction of the estimated future selling costs. The fair value of option contracts is determined by reference to the Black-Scholes model. The fair values of unquoted financial instruments within the portfolio are based on their last audited net asset values discounted where necessary to arrive at a fair value.

Changes in the fair value of investments held at fair value through profit or loss and gains and losses on disposal, including exchange gains and losses, are recognised in the Statement of Comprehensive Income as 'Losses on investments held at fair value through profit or loss'. Also included within this caption are transaction costs in relation to the purchase or sale of investments, including the difference between the purchase price of an investment and its bid price at the date of purchase.

(c) Significant accounting judgements and estimates
The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the amounts recognised in the financial statements; however, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future. As the majority of the Company's financial assets are quoted securities, in the opinion of the directors, the amounts included as assets and liabilities in the financial statements are not subject to significant judgements, estimates or assumptions.

The obligations relating to the options valued at £1,216,000 (liability) (28 February 2022: £nil, 31 August 2022: £1,031,000 (liability)) are valued by reference to the Black-Scholes model.

2. Earnings per ordinary share

The earnings per ordinary share figure is based on the net loss after taxation of £18,061,000 (half-year ended 28 February 2022: loss £604,000; year ended 31 August 2022: profit £7,957,000) and on 156,514,227 ordinary shares (half-year ended 28 February 2022: 151,168,978; year ended 31 August 2022: 152,008,180) being the weighted average number of ordinary shares in issue during each of the periods.

The earnings per ordinary share detailed above can be further analysed between revenue and capital, as below:

	Half-year ended 28 February 2023 (Unaudited) £'000	Half-year ended 28 February 2022 (Unaudited) £'000	Year ended 31 August 2022 (Audited) £'000
Net revenue profit	**8,827**	9,907	37,102
Net capital loss	**(26,888)**	(10,511)	(29,145)
Net total (loss)/profit	**(18,061)**	(604)	7,957
Weighted average number of ordinary shares in issue during the period / year	**156,514,227**	151,168,978	152,008,180

	Pence	Pence	Pence
Revenue earnings per ordinary share	**5.64**	6.55	24.41
Capital loss per ordinary share	**(17.18)**	(6.95)	(19.18)
Total (loss)/earnings per ordinary share	**(11.54)**	(0.40)	5.23

The Company does not have any dilutive securities therefore the basic and diluted returns per share are the same.

3. Net asset value per ordinary share
The net asset value per ordinary share is based on a net asset value of £410,495,000 (28 February 2022: £435,607,000; 31 August 2022: £435,576,000) and 159,283,564 (28 February 2022: 151,568,564; 31 August 2022: 154,948,564) ordinary shares, being the number of ordinary shares the Company has agreed to issue by each period end.

4. Transaction costs
Purchase transaction costs for the half-year ended 28 February 2023 were £132,000 (half-year ended 28 February 2022: £180,000; year ended 31 August 2022: £584,000). Sales transaction costs for the half-year ended 28 February 2023 were £169,000 (half-year ended 28 February 2022: £312,000; year ended 31 August 2022: £943,000). Transaction costs for both purchases and sales principally consist of commission fees.

5. Share capital
During the six months under review the Company agreed to issue a total of 4,335,000 shares (half-year ended 28 February 2022: 475,000; year ended 31 August 2022: 3,855,000) for net proceeds (net of issued costs) of £11,760,000 (half-year ended 28 February 2022: £1,412,000; year ended 31 August 2022: £11,042,000). Since the period end a further 275,000 shares have been issued for net proceeds of £2,079,760.

6. Dividends
The Company pays dividends on a quarterly basis. On 25 November 2022, a fourth interim dividend of 6.00p per share was paid in respect of the year ended 31 August 2022. A first interim dividend, in respect of the year ending 31 August 2023, of 6.00p per share was paid on 24 February 2023. The second interim dividend of 6.00p per share will be paid on 26 May 2023 to shareholders on the register on 28 April 2023. The Company's shares will be quoted ex-dividend on 27 April 2023. Based on the number of shares in issue on 19 April 2023, the cost of this dividend will be £9,573,514.

7. Management fee
The management fee calculation is a flat rate of 0.75% of net assets per annum, charged quarterly in arrears.

8. Financial Instruments
At the period end the carrying value of financial assets and financial liabilities approximates their fair value.

Financial instruments carried at fair value
Fair value hierarchy
The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorised into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

- Level 1: inputs are quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: inputs are unobservable inputs for the asset or liability.

Financial assets and financial liabilities at fair value through profit or loss at 28 February 2023	**Level 1 £'000**	**Level 2 £'000**	**Level 3 £'000**	**Total £'000**
Investments including derivatives:				
- Equity investments	**435,018**	**-**	**-**	**435,018**
- OTC derivatives (options)	**-**	**(1,216)**	**-**	**(1,216)**
	435,018	**(1,216)**	**-**	**433,802**

Financial assets and financial liabilities at fair value through profit or loss at 28 February 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments including derivatives:				
- Equity investments	449,289	-	-	449,289
	449,289	-	-	449,289

Financial assets and financial liabilities at fair value through profit or loss at 31 August 2022	Level 1 £'000	Level 2 £'000	Level 3 £'000	Total £'000
Investments including derivatives:				
- Equity investments	438,527	-	-	438,527
- OTC derivatives (options)	-	(1,031)	-	(1,031)
	438,527	(1,031)	-	437,496

Level 3 investments related to one holding of China Forestry was transferred into level 3 in 2012 and written to zero market value during 2014 following a missed coupon payment, delayed publication of annual report and accounts and resignation of Chief Financial Officer and Company Secretary. This investment has continued to be held at zero value throughout 2022 and 2023.

There have been no transfers into/out of and no movements in Level 3 investments during the half-year ended 28 February 2023 and 28 February 2022 and the year ended 31 August 2022.

The Company's holdings in options are included within Level 2.

The valuation techniques used by the Company are explained in note 1(b).

Premiums from written options during the half-year ended 28 February 2023 were £1,357,000 (half-year ended 28 February 2022: £1,093,000; year ended 31 August 2022: £2,922,000).

9. Going concern

The assets of the Company consist almost entirely of securities that are readily realisable and, accordingly, the directors believe that the Company has adequate financial resources to continue in operational existence for at least twelve months from the date of approval of the financial statements. Having assessed the financial position and taking account of the ability of the Company to draw down under the existing bank loan facility, as well as the likelihood of being able to renew the facility, and the principal risks and uncertainties facing the Company, the Board has decided that it is appropriate for the financial statements to be prepared on a going concern basis.

10. Net debt reconciliation

	Cash and cash equivalents £'000	**Bank loans and overdraft repayable within one year £'000**	**Total £'000**
Net debt as at 31 August 2022	**14,310**	**(17,206)**	**(2,896)**
Cash flows	**(328)**	**(21,359)**	**(21,687)**
Exchange movements	**(2,271)**	**1,285**	**(986)**
Net debt as at 28 February 2023	**11,711**	**(37,280)**	**(25,569)**

	Cash and cash equivalents £'000	Bank loans and overdraft repayable within one year £'000	Total £'000
Net debt as at 31 August 2021	13,693	(25,454)	(11,761)
Cash flows	(5,742)	(7,850)	(13,592)
Exchange movements	(235)	(274)	(509)
Net debt as at 28 February 2022	7,716	(33,578)	(25,862)

	Cash and cash equivalents £'000	Bank loans and overdraft repayable within one year £'000	Total £'000
Net debt as at 31 August 2021	13,693	(25,454)	(11,761)
Cash flows	837	12,580	13,417
Exchange movements	(220)	(4,332)	(4,552)
Net debt as at 31 August 2022	14,310	(17,206)	(2,896)

11. Related party transactions
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 period, with only amounts paid to them being in respect of remuneration.

In relation to the provision of services by Janus Henderson (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 Janus Henderson affecting the financial position of the Company during the period under review.

12. Half-year report
The half-year report is available on the Company's website (***www.hendersonfareastincome.com***). Shareholders will be sent a copy of the abridged version of the half-year results in late April 2023.

13. General information
a) Company Status
The Company is registered with limited liability in Jersey as a closed end investment company, number 95064, under the Companies (Jersey) Law 1991 and is certified as a collective investment fund under the Collective Investment Funds (Jersey) Law 1998. The Company has obtained a Fund Certificate under Articles 7 of the Collective Investment Funds (Jersey) Law. The Company is listed on the London and New Zealand stock exchanges and became UK tax resident with effect from 1 September 2018.

SEDOL/ISIN number: B1GXH751/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

b) Directors, Secretary and Registered Office
The directors of the Company are Ronald Gould (Chairman), Julia Chapman, Timothy Clissold, Nicholas George and David Mashiter. The Corporate Secretary is Janus Henderson Secretarial Services UK Limited. The registered office is IFC1, The Esplanade, St Helier, Jersey, JE1 4BP. The principal place of business is 201 Bishopsgate, London, EC2M 3AE.

c) 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:

Mike Kerley
Fund Manager
Henderson Far East Income Limited
Telephone: 020 7818 5053

Sat Duhra
Fund Manager
Henderson Far East Income Limited
Telephone: +65 6813 1035

Dan Howe
Head of Investment Trusts
Janus Henderson Fund Management UK Limited
Telephone: 020 7818 4458

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