3 November 2017
This announcement contains regulated information.

HENDERSON FAR EAST INCOME LIMITED
Annual Financial Results

STRATEGIC REPORT

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 highlights

- Increased proposed annual dividend: Fourth interim final dividend 5.30p, (2016: 5.10p) producing a total dividend for the year of 20.80p (2016: 20.00p).
- The share price to NAV (including current year income) moved to a premium of 1.3% (2016: 1.6%).

Sources: Morningstar for the AIC, Janus Henderson and Datastream

Total return performance (including dividends reinvested)

	1 year %	3 years %	5 years %
NAV per ordinary share [1]	17.7	37.6	69.6
AIC Asia Pacific (excluding Japan) Sector (Peer Group) Average [2]	22.2	47.3	85.1
FTSE All-World Asia Pacific ex Japan Index (Sterling adjusted)	23.7	46.7	82.6
FTSE All-World Asia Pacific including Japan Index (Sterling adjusted)	20.9	52.5	93.6

1 Source: Morningstar for the AIC including income fair value NAV
2 Size weighted average (shareholders' funds)

Chairman's Statement

Introduction

I am pleased to report another good year in both income and capital terms as Asian equity markets proved resilient against a global backdrop of both political and economic uncertainty. The Company has increased the dividend each year since its Jersey incorporation in 2007 and, at the period end, the ordinary shares yielded 5.5%. It is encouraging that, whilst global uncertainties will continue to drive some volatility, the outlook for dividend growth from Asian companies remains strong.

Performance

In the year under review, the net asset value total return was 17.7% whilst the share price total return was 17.3%. Though not a benchmark for us, the FTSE All-World Asia Pacific ex Japan Index (sterling adjusted) returned 23.7% as growth companies generally did better than those paying attractive dividends.

Dividends

A fourth interim dividend of 5.30p has been declared making a total of 20.8p for the year, an increase of 4.0%. As referred to in my introduction, the annual dividend has been increased ahead of UK inflation each year since moving to Jersey. Once again, this total was fully covered by revenue for the year and also allowed for an addition to our revenue reserve, which will underpin dividends in future years. Your Board is confident that it will be able to at least maintain this level of total dividend in the current year.

Capital
During the year the Company issued a total of 3,400,000 new ordinary shares at a premium to asset value thereby enhancing the net asset value per share for existing shareholders, enabling the fixed costs of the Company to be spread over a wider shareholder base, and improving the liquidity of the shares in the market. As at 3 November 2017, a further 1,568,000 shares have been issued since 31 August 2017 for total proceeds (net of commissions) of £5,910,154.

Gearing
The Company has continued to utilise its borrowing facility throughout the year to capitalise on specific stock opportunities. The Company has a two year £35 million facility with Commonwealth Bank of Australia. At 31 August 2017 the amount drawn down stood at £31.8 million and net gearing was 4.3%. The maximum amount drawn down under the facility during the year was £34.9 million (including exchange rate movements since draw down).

Manager
On 30 May 2017 Henderson Group plc merged with Janus Capital Group Inc. Your Board is encouraged by this move as it has enhanced the Manager's footprint in the Asia Pacific region. There will be no changes to the personnel responsible for the day to day management of your Company as a result of the merger.

Management Fees
As announced on 26 October 2017, following a formal review of the management fee arrangements, I am pleased to report that with effect from 1 September 2017, the Board has agreed a tiering basis to the management fee arrangements so that the existing management fee of 0.9% will only apply to the first £400m of net assets with the balance above that charged at a reduced rate of 0.75%. There is no performance fee.

Investment Policy and Objectives
The Board has approved certain changes to the investment objective and policy of the Company, in order to provide further clarity to investors. As such the Board has been advised the changes are deemed immaterial and so do not require shareholder consent. The updated investment objective and policy is set out in full in the Annual Report.

Outlook
Global tensions are rising. Popularism is beginning to embed itself in mainstream politics in a number of countries with negative implications for global growth. North Korea presents a significant challenge to the region and the world. Terrorism is also increasing and deaths caused by regional wars have been rapidly rising since 2008. President Trump's approach is not helpful in a world calling out for stability. While the EU is showing better economic growth the underlying tensions and disagreements among the 28 countries remain high with no consensus in sight.

Against this gloomy backdrop there are still some very positive developments. Global economic power has moved decidedly eastward to the world's most populous region in the past few decades, China and India in particular. The impact of the 2008 financial crisis would have been much worse if not for China's policy response in stimulating its economy to further improve its contribution to global GDP. It was this policy that gave rise to much debate among investors about rising debt in China and the sustainability of an economy driven by low cost manufacturing and debt. The concerns have been shown to be overstated. President Xi Jinping has clearly put China on a more sustainable economic growth path. Household aggregate demand is rising sharply, the services sector is now the major driver of economic growth and, in contrast to many western economies, the percentage of GDP going to wages is rising, further stimulating consumption. The household savings rate is also in decline as social security measures strengthen.

President Xi has also introduced supply side reforms by dissolving some non-performing state owned enterprises and introducing much tougher regulation to reduce financial risk. These measures will further improve economic performance giving him more room to tackle the severe environmental degradation that has resulted from past policies.

The risk to this optimistic view remains populist driven trade disputes. However, even on this front, the outlook seems a little better than may have been imagined following the aggressive stance taken by President Trump in his election campaign and immediately following his election. He has not declared China a currency manipulator and appears to have discovered how damaging a trade war would be to the global economy including the US. The stakes are just too high. Some mutually agreed compromise will probably be the final outcome.

The Board attended a conference in Mumbai, India in June. It was an opportunity to meet a number of Indian companies and hear from numerous experts and commentators. The energy and the growth of a wealthy middle class was very evident as was the Government's efforts in supply side reform notably the introduction of a goods and services tax and the cancellation of large denomination bank notes to reduce the size of the black economy. Much is made of India's young population and it is no doubt a great advantage in a region where other major players, notably China and Japan, face poor demographic outlooks. However, we were confronted by the severe challenges India faces as evidenced by the very long queues of young educated people outside employment offices looking for a job. India needs to find around 15 million new jobs each year to absorb those leaving full time education. We harbour some doubts that reform in India will be fast enough to address the issue. Corruption is widespread in government and business while ethnic and religious tensions remain high. Infrastructure developments, so critical to growth, are promised but progress is very slow with an outdated and cumbersome planning process. Clearly a significant part of the population has benefited from an opening up of the economy but the vast bulk of the 1.3 billion people are still rural with average farm sizes of around 1.5 hectares with very high levels of illiteracy and inadequate infrastructure support. It is difficult to see in these circumstances how India can achieve its potential without a much more determined Government effort and deep structural reform.

Overall, despite all the global problems, the Asian region still offers a strong growth outlook and attractive opportunities for investors.

Annual General Meeting

The Company's AGM will be held at 12.00 noon on 13 December 2017 at IFC1, The Esplanade, St. Helier, Jersey JE1 4BP and full details of the proposed resolutions are set out in the separate Notice of Meeting which has been issued with this report. As usual an open presentation to shareholders will be held at Janus Henderson's offices in London on 14 December 2017 at 11.00 am when Michael Kerley will make an investment presentation and he, I and other Board members will be happy to answer questions. If you would like to attend please complete and return the invitation card enclosed with this report.

John Russell
Chairman
3 November 2017

Management

The Company has an independent Board of Directors which has appointed Henderson Investment Funds Limited ("HIFL") to act as its Alternative Investment Fund Manager. HIFL delegates investment management services to Henderson Global Investors Limited in accordance with an agreement which was effective from 22 July 2014 and can be terminated on six months' notice. Both entities are authorised and regulated by the Financial Conduct Authority ("FCA"). References to the Manager within this report refer to the services provided by both entities. Both entities are wholly owned subsidiaries of Janus Henderson Group plc, referred to as Janus Henderson, following the merger of Henderson Group plc and Janus Capital Group, Inc. on 30 May 2017.

Principal risks and uncertainties

The Board, with the assistance of the Manager, has carried out a robust assessment of the principal risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. In carrying out this assessment, the Board also considered both regional and global geopolitical risks, as well as the political instability arising from the UK's negotiations to leave the European Union, which the Board does not consider to be material except for the impact on currency movements.

With the assistance of the Manager, the Board has drawn up a matrix of risks facing the Company and has put in place a schedule of investment limits and restrictions, appropriate to the Company's investment objective and policy, in order to mitigate risks as far as practicable. The principal risks which have been identified and the steps taken by the Board to mitigate these are as follows:

Investment and strategy

An inappropriate investment strategy, for example, in terms of asset allocation or level of gearing, may result in under performance against the companies in the peer group, and also in the Company's shares trading on a wider discount. The Board manages these risks by ensuring a diversification of investments and a regular review of the extent of borrowings. The Manager operates in accordance with an investment limits and restrictions policy determined by the Board, which includes limits on the extent to which borrowings may be employed. The Board reviews the limits and restrictions on a regular basis and Janus Henderson confirms adherence to them every month. Janus Henderson provides the Board with management information, including performance data and reports and shareholder analyses. The Directors monitor the implementation and results of the investment process with the Manager at each Board meeting and monitor risk factors in respect of the portfolio. Investment strategy is reviewed at each meeting.

Accounting, legal and regulatory

The Company is regulated by the Jersey Financial Services Commission and complies with the regulatory requirements in Jersey. The Company must comply with the provisions of the Companies (Jersey) Law 1991 and since its shares are listed on the London Stock Exchange, the FCA's Listing Rules. The Company must also ensure compliance with the listing rules of the New Zealand Stock Exchange. A breach of company law could result in the Company and/or the Directors being fined or the subject of criminal proceedings and financial and reputational damage. A breach of the Listing Rules could result in the suspension of the Company's shares. The Board relies on its Company Secretary and advisers to ensure adherence to company law and FCA and New Zealand Stock Exchange Rules.

Operational

Disruption to, or the failure of, Janus Henderson'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 Administrator, BNP Paribas Securities Services S.C.A. Jersey Branch, sub-contracts some of the operational functions (principally relating to trade processing, investment administration and accounting) to BNP Paribas Securities Services. Details of how the Board monitors the services provided by Janus Henderson and other suppliers, and the key elements designed to provide effective internal control, are explained further in the internal control section of the Corporate Governance Statement.

Financial
The financial risks faced by the Company include market risk (market price risk, interest rate risk and currency risk), liquidity risk and credit risk. The Company does not employ financial instruments to mitigate risk. Additional disclosures are provided in accordance with IFRS 7: Financial Instruments: Disclosures.

Viability statement
The Company is a medium to longer term investor and, as such, the Directors believe it is appropriate to assess the Company's viability over a five year period in recognition of the Company's investment horizon and what the Directors believe to be investors' horizons.

The assessment has considered the impact of the likelihood of the principal risks and uncertainties facing the Company, in particular investment strategy and performance absolutely and against certain indices and other funds with a similar mandate, whether from asset allocation, the level of gearing, and market risk in severe but plausible scenarios, and the effectiveness of any mitigating controls in place.

The Directors took into account the liquidity of the portfolio. Nearly all of the Company's investments are in listed companies which are frequently traded on recognised markets. The portfolio comprises investments in approximately 50 companies spread over a wide range of sectors and geographical areas and hence there is little concentration. The Directors also considered the borrowing facility the Company has in terms of its duration, the headroom available under any covenants and how a breach of any of those covenants could impact on the Company's net asset value and share price.

Based on their assessment and the fact that the Company's financial commitments are small in relation to the current value of the portfolio, which is highly liquid, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the next five years.

The Directors' view is that only a cataclysmic financial crisis affecting the global economy could have an impact on this assessment.

Related party transactions
The Company's current related parties are its Directors and Janus Henderson. There have been no material transactions between the Company and its Directors during the year and the only amounts paid to them were in respect of expenses and remuneration for which there were no outstanding amounts payable at the year end.

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 sales and marketing services there have been no material transactions with Janus Henderson affecting the financial position of the Company during the year under review.

Fund Manager's Report

Overview

Following a strong year last year I am pleased to report another good year for the net asset value ("NAV") and share price total return for your company. The NAV total return was 17.7% and the share price total return was 17.3% in sterling terms over the twelve months to the end of August 2017. The capital returns are all the more encouraging for not being boosted by weak sterling as they were in the previous year.

In a year dominated by political, geopolitical and economic uncertainty the positive returns generated are encouraging and reflect an improvement in the underlying fundamentals of the Asia Pacific region. For the first time since 2009 Asian earnings have been upgraded since the turn of the year rather than the recent trend of downgrades which has helped Asia ex Japan outperform its developed market peers.

Consensus EPS growth forecast trend (%)

Critics will say that the improvement is down to the growth of the technology sector and in particular Tencent, Alibaba and Samsung Electronics but as the year has progressed the contribution has broadened into financials, industrials and consumer related sectors, which is a positive sign. The most notable growth is forecast for Korea where earnings are expected to grow by almost 50% in 2017. Admittedly just over half of this is forecast to come from Samsung Electronics and SK Hynix, the memory chip manufacturers where underlying fundamentals are very strong, but 23.9% forecast growth for the rest of the Korean market is still an impressive number. From an earnings standpoint India remains the biggest disappointment. The demonetisation experiment at the end of 2016 and the implementation of a goods and services tax in June 2017 have caused considerable disruption which has led to disappointing economic numbers and an ongoing downgrading of earnings expectations.

The improvement in the corporate sector has been accompanied by stability at the macro level. Chinese GDP growth has been better than expected while positive export momentum has been witnessed region wide. The much heralded impact of US protectionism has yet to manifest itself in any meaningful way while Asia's share of world trade continues to grow, undermining the argument that Asia and, in particular, China are becoming uncompetitive.

Despite these more positive developments there are clearly risks. The weakness in the US dollar has been supportive but as interest rates rise there is the potential that this could reverse while protectionist policies involving trade barriers, which have so far been put on hold, could resurface. The most significant risk, however, is closer to home. The escalation of tension between North Korea and the US and its allies shows no sign of abating with no easy solution visible. The options open to the US to prevent Kim Jong-un obtaining an intercontinental ballistic nuclear capability are all unpalatable and fraught with danger. So far the pressure brought to bear by the United Nations in terms of sanctions has not slowed North Korea's progress. A policy of dialogue and containment seems the most likely outcome but with the two parties led by volatile personalities this is far from certain.

The best performing market over the period was Taiwan which benefited from increased demand for tech hardware and semiconductors. Despite the stunning performance of the internet sector the performance of Taiwan suggests support for the hardware facilitators of the internet boom. Taiwan Semiconductor, the world's largest semiconductor foundry, rose 23.2% over the period in local currency terms while some of the key manufacturers of optical lenses, microphones etc. rose by considerably more. The second best performing market was China where the strong performance of the internet sector was most visible. Tencent, the social media, gaming and ecommerce behemoth, rose 65% in sterling terms over the period as China continued to embrace online services. At the end of August 2017 Tencent had a market capitalisation of over $450 billion, comparable to Amazon and larger than Exxon Mobil. At the other end of the scale ASEAN markets underperformed with the Philippines actually posting a negative return over the period as President Duterte's combative style and fiery rhetoric have soured relations with the US and discouraged investors.

At the sector level performance was dominated by basic materials and technology. The recovery in Chinese growth expectations together with aggressive supply side reform has seen a significant rise in basic material prices. Coal and iron ore in particular have seen spectacular recoveries while copper, aluminium, zinc and steel have also benefited. The energy sector witnessed more modest returns as the tug of war between US shale and OPEC kept the oil price range bound between $45 and $55 per barrel over the period. With a focus on growth rather than stability and yield the more defensive sectors struggled to make headway. Utilities and healthcare made modest gains while telecommunications actually fell over the period.

Performance

The portfolio failed to keep pace with the index performance over the period. The FTSE All-World Asia Pacific ex Japan index rose 23.7% in sterling terms on a total return basis. The strength of growth and especially "new economy" growth, which trades at high valuations with no dividends, was difficult to match while the performance of some of the higher yielding sectors was disappointing.

At the stock level we had some success with companies such as Star Petroleum, which rose 72% over the period, Autohome 86%, Anta Sports 56%, Hon Hai Precision 71% and KB Financial 47% but these were not enough to offset the style differentials which favoured cyclicality and growth over defensiveness and yield.

Income generation remained strong with investment income rising 6.7% year on year in sterling terms while option premium rose 3.0%. The geographical breakdown of income reflects the strong growth in North Asia with China, Taiwan, South Korea and Hong Kong accounting for 65.7% of the income received. At the sector level financials account for 30.1% of the income received but the rise of technology to 13.3% of income is reflective of the change in the market structure and the ability of this sector to produce significant cash flow and dividends.

Over the period we made some notable additions to the portfolio although portfolio turnover was lower than in the year ended 31 August 2016. In the fourth quarter of 2016 we added Samsung Electronics preferred shares and Rio Tinto Ltd to the portfolio to capture the cyclical upswing in global growth and reduced some of the exposure to telecoms and REITS which are more sensitive to rising interest rates. We remain positive on the refining sector due to a lack of new capacity and added Star Petroleum to the portfolio while our positive view on online services in China resulted in the purchase of Autohome (the Auto Trader of China). Other notable purchases included Dali Foods, the Chinese snacks, drinks and soya milk producer and Anta Sports, China's largest local brand sportswear provider. The addition of Chinese banks to the portfolio in the second quarter of 2017 on the expectation of improving profitability and lower non-performing loans resulted in a significant increase in the weighting in China (28.1% at year-end compared to 17.6% a year earlier). This increase was funded by a significant reduction to our exposure in India. We now have no exposure to this market as the stocks are expensive and the economic and corporate momentum remains negative.

Outlook

We remain cautiously optimistic on the outlook for Asia Pacific in the medium to long term. Earnings momentum is positive and, although markets have risen, valuations on a price to earnings basis have not changed markedly as earnings growth has kept up with price movements. This is not true of developed markets which are trading at, or close to, all-time highs. Without the same kind of earnings support developed markets are looking fully valued. These levels of valuations are a risk in themselves and together with the headwinds of geopolitical tension, rising interest rates and Brexit negotiations, merit some caution. For this reason the Company's level of gearing is modest and will remain so for the near term.

Despite the strong performance in some of the expensive new economy sectors we will stick to our discipline of focusing on well managed companies with attractive valuations which have the ability to sustain and grow their dividends in the years ahead. Our focus remains on domestic orientated areas which are exposed to the improving spending power of the consumer across the region. The outlook for dividends in Asia Pacific is still a compelling story. Asian companies have low levels of debt, a pragmatic view on capital expenditure and strong cash flow generation which should allow dividend pay-out ratios to continue to rise in the years ahead.

Michael Kerley
Fund Manager
3 November 2017

Rank 2017	**Rank 2016**	**Company**	**Country of incorporation**	**Sector**	**Valuation 2017 £'000**	**% of portfolio**
1	27	Samsung Electronics[1]	South Korea	Technology	21,810	4.72
2	-	Rio Tinto Ltd	Australia	Basic Materials	14,107	3.06
3	15	Hon Hai Precision Industry	Taiwan	Technology	13,150	2.85
4	-	Bank of China	China	Financials	12,494	2.71
5	2	Taiwan Semiconductor Manufacturing[2]	Taiwan	Technology	12,106	2.62
6	4	Telekomunikasi Indonesia	Indonesia	Telecommunications	11,935	2.59
7	-	PTT	Thailand	Oil & Gas	11,452	2.48
8	3	Macquarie Korea Infrastructure Fund	South Korea	Financials	11,405	2.47
9	19	China Yangtze Power[3]	China	Utilities	11,180	2.42
10	32	Star Petroleum Refining	Thailand	Oil & Gas	11,135	2.41
		Top Ten Investments			**130,774**	**28.33**
11	9	HKT Trust & HKT	Hong Kong	Telecommunications	11,048	2.39
12	25	Advanced Semiconductor Engineering	Taiwan	Technology	11,016	2.39
13	36	HSBC Holdings	UK (Hong Kong)	Financials	10,760	2.33

14	5	Spark New Zealand	New Zealand	Telecommunications	10,737	2.33
15	-	Mega Financial	Taiwan	Financials	10,642	2.30
16	8	KB Financial Group	South Korea	Financials	10,622	2.30
17	16	Amcor	Australia	Industrials	10,613	2.30
18	-	China Construction Bank	China	Financials	10,456	2.27
19	40	Lend Lease	Australia	Property	10,432	2.26
20	24	SK Innovation	South Korea	Basic Materials	10,389	2.25
		Top Twenty Investments			**237,489**	**51.45**

[1] Preferred Shares
[2] American Depositary Receipts
[3] Participation Notes

Sector exposure
As a percentage of the investment portfolio excluding cash

	31 August 2017	**31 August 2016**
Financials	21.6	14.2
Technology	19.0	15.8
Telecommunications	13.1	20.2
Property	11.9	11.0
Industrials	9.5	11.3
Consumer Goods	6.4	4.5
Basic Materials	5.1	4.1
Oil and Gas	4.9	1.9
Utilities	4.4	11.4
Consumer Services	4.1	5.6

Geographic focus
As a percentage of the investment portfolio excluding cash

	31 August 2017	**31 August 2016**
Australia	19.0	21.3
China	28.1	17.6
Hong Kong	6.8	8.3
India	-	5.6
Indonesia	2.6	2.6
South Korea	13.6	14.0
New Zealand	2.3	2.6
Singapore	3.8	8.4
Taiwan	17.1	13.8
Thailand	6.7	5.8

CORPORATE REPORT

Statement of Directors' Responsibilities
In accordance with Disclosure Guidance and Transparency Rule 4.1.12, each of the Directors confirms that, to the best of his or her knowledge:

• the Company's financial statements, which have been prepared in accordance with IFRSs 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 Strategic Report, Report of the Directors, Corporate Governance Statement, Remuneration 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

Julia Chapman
Director
3 November 2017

Audited Statement of Comprehensive Income

	Year ended 31 August 2017			**Year ended 31 August 2016**		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	**Revenue return £'000**	**Capital return £'000**	**Total £'000**
Investment income (note 3)	**27,702**	**-**	**27,702**	25,974	-	25,974
Other income (note 4)	**2,563**	**-**	**2,563**	2,489	-	2,489
Gains on investments held at fair value through profit or loss	**-**	**45,754**	**45,754**	-	75,636	75,636
Net foreign exchange loss excluding foreign exchange gains/(losses) on investments	**-**	**(1,498)**	**(1,498)**	-	(2,275)	(2,275)
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Total income	**30,265**	**44,256**	**74,521**	28,463	73,361	101,824
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Expenses						
Management fees	**(1,865)**	**(1,865)**	**(3,730)**	(1,565)	(1,565)	(3,130)
Other expenses	**(421)**	**(421)**	**(842)**	(403)	(403)	(806)
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Profit before finance costs and taxation	**27,979**	**41,970**	**69,949**	26,495	71,393	97,888
Finance costs	**(169)**	**(169)**	**(338)**	(142)	(143)	(285)
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Profit before taxation	**27,810**	**41,801**	**69,611**	26,353	71,250	97,603
Taxation	**(2,400)**	**-**	**(2,400)**	(2,228)	-	(2,228)
	---------	---------	---------	---------	---------	---------
Profit for the year and total comprehensive income	**25,410**	**41,801**	**67,211**	24,125	71,250	95,375
	=====	=====	=====	=====	=====	=====
Earnings per ordinary share - basic and diluted (note 5)	**21.94p**	**36.09p**	**58.03p**	21.13p	62.41p	83.54p
	=====	=====	=====	=====	=====	=====

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.

Audited Statement of Changes in Equity

Year ended 31 August 2017	Stated share capital £'000	Distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 31 August 2016	109,471	180,471	75,759	21,158	386,859
Total comprehensive income:					
Profit for the year	-	-	41,801	25,410	67,211
Transactions with owners, recorded directly to equity:					
Dividends paid (note 6)	-	-	-	(23,901)	(23,901)
Shares issued (note 8)	12,362	-	-	-	12,362
Share issue costs (note 8)	(49)	-	-	-	(49)
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Total equity at 31 August 2017	121,784	180,471	117,560	22,667	442,482
	======	======	======	======	======

Year ended 31 August 2016	Stated share capital £'000	Distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 31 August 2015	103,202	180,471	4,509	19,639	307,821
Total comprehensive income:					
Profit for the year	-	-	71,250	24,125	95,375
Transactions with owners, recorded directly to equity:					
Dividends paid (note 6)	-	-	-	(22,606)	(22,606)
Shares issued (note 8)	6,294	-	-	-	6,294
Share issue costs (note 8)	(25)	-	-	-	(25)
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Total equity at 31 August 2016	109,471	180,471	75,759	21,158	386,859
	======	======	======	======	======

Audited Balance Sheet

	31 August 2017 £'000	31 August 2016 £'000
Non current assets		
Investments held at fair value through profit or loss	**465,266**	405,131
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Current assets		
Other receivables	**3,420**	3,321
Cash and cash equivalents	**10,241**	5,944
	----------	----------
	13,661	9,265
	----------	----------
Total assets	**478,927**	414,396
	----------	----------
Current liabilities		
Investments held at fair value through profit or loss -	**(3,671)**	(635)

written options		
Other payables	**(941)**	(1,581)
Bank loans	**(31,833)**	(25,321)
	----------	----------
	(36,445)	(27,537)
	----------	----------
Net assets	**442,482**	386,859
	======	======
Equity attributable to equity shareholders		
Stated share capital (note 8)	**121,784**	109,471
Distributable reserve	**180,471**	180,471
Retained earnings:		
Capital reserves	**117,560**	75,759
Revenue reserve	**22,667**	21,158
	----------	----------
Total equity	**442,482**	386,859
	======	======
Net asset value per ordinary share (note 7)	**375.19p**	337.76p
	======	======

The financial statements were approved by the Board of Directors on 3 November 2017 and were signed on its behalf by:

Julia Chapman
Director

Audited Statement of Cash Flows

	31 August 2017 £'000	31 August 2016 £'000
Operating activities		
Profit before taxation	**69,611**	97,603
Add back interest payable	**338**	285
Gains on investments held at fair value through profit or loss	**(45,754)**	(75,636)
Net foreign exchange loss excluding foreign exchange gains on investments	**1,498**	2,275
Sales of investments	**331,080**	310,929
Purchases of investments	**(342,222)**	(316,188)
(Increase)/decrease in prepayments and accrued income	**(208)**	170
Decrease in amounts due from brokers	**109**	4,093
(Decrease)/ increase in other payables	**(677)**	1,153
Stock dividends included in investment income	**(203)**	(134)
	----------	----------
Net cash inflow from operating activities before interest and taxation	**13,572**	24,550
Interest paid	**(301)**	(289)
Withholding tax on investment income	**(2,400)**	(2,228)
	----------	----------
Net cash inflow from operating activities after interest and taxation	**10,871**	22,033
	----------	----------
Financing activities		
Net loan drawdown/(repayment)	**5,232**	(12,231)

Equity dividends paid (note 6)	**(23,901)**	(22,606)
Share issue proceeds (note 8)	**12,362**	6,294
Share issue costs (note 8)	**(49)**	(25)
	----------	----------
Net cash outflow from financing	**(6,356)**	(28,568)
	----------	----------
Increase/(decrease) in cash and cash equivalents	**4,515**	(6,535)
Cash and cash equivalents at the start of the year	**5,944**	11,681
Exchange movements	**(218)**	798
	----------	----------
Cash and cash equivalents at the end of the year	**10,241**	5,944
	======	======

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 was incorporated on 6 November 2006.

2. Accounting policies

Basis of preparation

The Company's financial statements for the year ended 31 August 2017 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 ('IASB'), together with interpretations of the International Accounting Standards and Standing Interpretations Committee approved by the International Accounting Standards Committee ('IASC') 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.

3. Investment income

	2017 £'000	**2016 £'000**
Overseas investment income	**25,997**	23,485
Participation Note income	**1,502**	2,355
Stock dividends	**203**	134
	---------	---------
	27,702	25,974
	======	======
Analysis of investment income by geography:		
Australia	**5,199**	5,615
China	**7,301**	5,779
Hong Kong	**2,462**	2,173

India	**309**	1,265
Indonesia	**349**	254
Japan	**-**	262
Malaysia	**-**	394
New Zealand	**824**	660
Singapore	**1,005**	1,628
South Korea	**2,887**	2,173
Taiwan	**5,552**	4,255
Thailand	**1,814**	1,516
	---------	---------
	27,702	25,974
	======	======

All of the above income is derived from equity investments.

4. Other income

	2017 £'000	**2016 £'000**
Bank and other interest	**31**	14
Option premium income	**2,532**	2,475
	-------	-------
	2,563	2,489
	====	====

5. Earnings per ordinary share

The earnings per ordinary share figure is based on the net profit for the year of £67,211,000 (2016: £95,375,000) and on the weighted average number of ordinary shares in issue during the year of 115,829,263 (2016: 114,161,274).

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

	2017 £'000	**2016 £'000**
Net revenue profit	**25,410**	24,125
Net capital profit	**41,801**	71,250
	----------	----------
Net total profit	**67,211**	95,375
	======	======
Weighted average number of ordinary shares in issue during the year	**115,829,263**	114,161,274

	2017 Pence	2016 Pence
Revenue earnings per ordinary share	**21.94**	21.13
Capital earnings per ordinary share	**36.09**	62.41
	---------	---------
Total earnings per ordinary share	**58.03**	83.54
	======	======

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.

6. Dividends

	Record date	**Pay date**	**2017 £'000**	**2016 £'000**
Fourth interim dividend 4.90p for the year ended 2015	6 November 2015	30 November 2015	-	5,540
First interim dividend 4.90p for the year	5 February 2016	29 February 2016	-	5,612

ended 2016				
Second interim dividend 4.90p for the year ended 2016	6 May 2016	31 May 2016	**-**	5,612
Third interim dividend 5.10p for the year ended 2016	5 August 2016	31 August 2016	**-**	5,842
Fourth interim dividend 5.10p for the year ended 2016	4 November 2016	30 November 2016	**5,859**	-
First interim dividend 5.10p for the year ended 2017	3 February 2017	28 February 2017	**5,894**	-
Second interim dividend 5.10p for the year ended 2017	5 May 2017	31 May 2017	**5,924**	-
Third interim dividend 5.30p for the year ended 2017	4 August 2017	31 August 2017	**6,224**	-
			-------	-------
			23,901	**22,606**

The fourth interim dividend for the year ended 31 August 2017 has not been included as a liability in these financial statements as it was announced and paid after the year end. The table which follows sets out the total dividends paid and to be paid in respect of the financial year and the previous year. The revenue available for distribution by way of dividend for the year is £25,410,000 (2016: 24,125,000).

	2017 £'000	**2016 £'000**
First interim dividend for 2017 – 5.10p (2016: 4.90p)	**5,894**	5,612
Second interim dividend for 2017 – 5.10p (2016: 4.90p)	**5,924**	5,612
Third interim dividend for 2017 – 5.30p (2016: 5.10p)	**6,224**	5,842
Fourth interim dividend for 2017 – 5.30p (2016: 5.10p) (payable 30 November 2017 based on 119,503,564 shares in issue at 3 November 2017)	**6,334**	5,859
	--------	--------
	24,376	22,925
	=====	=====

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:

	2017		2016	
	Net asset value per share pence	**Net asset value attributable £'000**	Net asset value per share pence	Net asset value attributable £'000
Ordinary shares	**375.19p**	**442,482**	337.76p	386,859
	======	======	======	======

The basic net asset value per ordinary share is based on 117,935,564 (2016: 114,535,564) ordinary shares, being the number of ordinary shares in issue.

8. Stated share capital

	Authorised	**Issued and fully paid**	**2017 £'000**	Issued and fully paid	2016 £'000
Opening balance at 1 September					
Ordinary shares of no par value	Unlimited	114,535,564	109,471	**112,345,564**	**103,202**
Issued during the year		3,400,000	12,362	**2,190,000**	**6,294**
Share issue costs		-	(49)	**-**	**(25)**
		---------------	----------	**---------------**	**----------**

Closing balance at 31 August	117,935,564	121,784	**114,535,564**	**109,471**
	=========	======	=========	======

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.

During the year, the Company issued 3,400,000 (2016: 2,190,000) shares for the proceeds of £12,313,000 (2016: £6,269,000) net of costs.

9. Going concern statement

The assets of the Company consist almost entirely of securities that are listed and regularly traded 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 these factors, the principal risks and other matters discussed in connection with the Viability Statement, the Board has decided that it is appropriate for the financial statements to be prepared on a going concern basis.

10. 2017 Financial information

The figures and financial information for the year ended 31 August 2017 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.

11. 2016 Financial information

The figures and financial information for the year ended 31 August 2016 are compiled from an extract of the published accounts and do not constitute the statutory accounts for that year.

12. Company Status

The Company is a Jersey domiciled closed-end investment company, number 95064, which was incorporated in 2006 and which is listed on the London and New Zealand Stock Exchanges. The Company is a Jersey fund with its registered office at IFC 1, the Esplanade, St Helier, Jersey JE1 4BP and is regulated by the Jersey Financial Services Commission.

13. Annual Report and Annual Strategic Report

The Annual Report and financial statements will be available for posting to those shareholders who have requested a copy in late November 2017 and copies will be available on the Company's website (www.hendersonfareastincome.com) or in hard copy format from the Company's registered office, IFC 1, the Esplanade, St Helier, Jersey JE1 4BP. Shareholders who did not indicate that they wished to receive the full Annual Report in future years will receive an abbreviated report on the Company's results for the year, the Annual Strategic Report.

The Annual General Meeting will be held at the registered office at 12.00 noon on Wednesday 13 December 2017. The Notice of the Annual General Meeting will be sent to shareholders with the Annual Report.

For further information please contact:

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

James de Sausmarez
Director and Head of Investment Trusts, Henderson Investment Funds Limited
Telephone: 020 7818 3349

Sarah Gibbons-Cook
Investor Relations and PR Manager, Henderson Investment Funds Limited
Telephone: 020 7818 3198

Siobhan Lavery
BNP Paribas Securities Services. S.C.A., Jersey Branch, Company Secretary
Telephone: 01534 709181

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.