

## HENDERSON FAR EAST INCOME LIMITED

LEGAL ENTITY IDENTIFIER: 2138008DIQREOD38O596  
25 June 2020

### MESSAGE TO SHAREHOLDERS REGARDING THE DIVIDEND

Dear Shareholders

On 23 June 2020, the Board of Directors (the 'Board') of Henderson Far East Income Limited (the 'Company') declared a third interim dividend of 5.80p per ordinary share for the year ending 31 August 2020. This equates to a 1.8% increase over the 5.70p paid for the second interim dividend.

With the pressure on corporate dividends forefront in investors' minds, the Board felt it would be timely to outline some context behind the decision to raise the dividend, albeit modestly. The Covid-19 outbreak has caused pain and suffering across the world and has had a material impact on the economies of most countries with a great deal of uncertainty still lingering about the long term effects. The lockdowns have brought activity to a standstill resulting in significant pressure on corporate profitability and cash flow. Unsurprisingly, dividends have come under pressure, especially in the UK and Europe, with many well known names reducing or even cancelling their distributions. Asia has not been immune, but as the data from the third edition of the Henderson Far East Income Asia Pacific Dividend Index\* suggests, the impact has been more modest and the region is expected to recover more quickly.

The Board believes that the impact from Covid-19 does not change the structural growth story for Asian dividends and has reasons to be confident that the positive trajectory will resume once the virus has been contained. The companies held within the portfolio are cash generative, with strong balance sheets and have the ability to continue to pay dividends during times of stress and to grow them once normality returns. With this in mind, the Board felt that a modest increase in dividend reflected the underlying structural positives while being mindful of the volatile environment that persists. In order to facilitate this, a modest drawdown of the revenue reserve may be required, but the Board feels that this is justified considering the current environment. Looking beyond this financial year, the Board expects dividends to recover in the Asia Pacific region but stands ready to utilise the Company's revenue reserves should the need arise. Revenue reserves are shareholders' money held back to smooth distributions in times of stress and the Board feels that the current environment is an appropriate time to utilise this benefit of the closed ended structure.

The Board of Directors  
Henderson Far East Income Limited  
25 June 2020

*\*The Henderson Far East Income Asian Dividend Index was released on 15 June 2020 and is available at <https://www.janushenderson.com/en-gb/investor/article/henderson-far-east-income-asia-pacific-dividend-index/>*

For further information, please call

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