LEGAL ENTITY IDENTIFIER: 2138008DIQRE00380596

HENDERSON FAR EAST INCOME LIMITED

Financial results for the year ended 31 August 2020

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.

Highlights
- Total dividend of 23.00p (2019: 22.40p) for the year, up 2.7% on the prior year
- Dividend yield at 31 August 2020 of 7.4% (2019: 6.2%)

Total return performance to 31 August 2020 *(including dividends reinvested)*

	1 year	3 years	5 years	10 years
	%	%	%	%
NAV[1]	-9.9	-2.6	51.2	83.7
Share price[2]	-7.8	-1.3	54.5	85.6
Sector average[3]	-1.7	5.7	72.3	123.8
FTSE All-World Asia Pacific ex Japan Index[4]	7.9	12.3	86.7	120.8
MSCI AC Asia Pacific ex Japan High Dividend Yield Index[4]	-7.7	-5.6	46.8	93.7

Financial highlights

	At 31 August 2020	At 31 August 2019
Shareholders' funds		
Net assets (£'000)	**425,927**	469,121
NAV per ordinary share	**301.02p**	358.99p
Share price	**311.00p**	361.00p

	Year ended 31 August 2020	Year ended 31 August 2019
Profit/(loss) for year		
Net revenue profit (£'000)	**32,587**	29,502
Net capital loss (£'000)	**(81,406)**	(1,196)
	------------	----------
Net total (loss)/profit	**(48,819)**	28,306
	=======	======
Total earnings/(loss) per ordinary share		
Revenue	**23.71p**	23.38p
Capital	**(59.23p)**	(0.95p)
	-------------	-----------
Total (loss)/earnings per ordinary share	**(35.52p)**	22.43p
	=======	======
Ongoing charge[5]	**1.08%**	1.11%

1. Net Asset Value total return including dividends reinvested
2. Share price total return including dividends reinvested and using mid-market prices
3. AIC sector is the Asia Pacific Income sector using Cum Fair NAV
4. Total return performance is Sterling adjusted (including dividends reinvested)
5. Calculated using the methodology prescribed by the Association of Investment Companies

Sources: Morningstar Direct, Janus Henderson, Refinitiv Datastream

CHAIRMAN'S STATEMENT

Introduction
It is remarkable how quickly things can change. In my statement at the half-year, the IMF had predicted global growth at minus 3%; their latest forecast has put this at minus 4.4%[1]. During March 2020 global stocks saw a downturn of at least 25%, 30% in most G20 nations, and the Covid-19 pandemic continues to inflict rising human costs worldwide. It has had a more negative impact on activity than anticipated and recovery is likely to be more gradual than previously thought.

The Asia Pacific region, though, has to date suffered less from the disease than other parts of the world by containing its spread through a combination of stringent mobility restrictions and extensive testing-based programs. Domestic activity is reviving, but the region's economy is heavily dependent on the rest of the world. Central banks and governments have done what they can, economic activity in emerging and developing Asia for 2020 is projected to contract by 1.7%[1], with the forecast for China's growth at 1.9%[1]. Prospects for 2021 are brighter. We have included a separate section on the impact of Covid-19 on the region's economies, company earnings and dividends in the annual report.

Performance
NAV total return performance was minus 9.9%, against the MSCI AC Asia Pacific ex Japan High Dividend Yield Index of minus 7.7% and FTSE All-World Asia Pacific ex Japan Index of 7.9%. The share price total return was minus 7.8%. The weakness of the NAV performance, although disappointing, is understandable as high yielding stocks have been out of favour compared to more growth orientated companies which are less well represented in the portfolio. The managers will go into more detail on performance in their report.

Your Company's performance reflects the prevailing economic conditions, but I am pleased to report that the strength of the portfolio has been demonstrated in the resilience of its revenue stream.

Dividends
The Company has continued with its approach of paying four interim dividends in respect of each financial year. For the year ended 31 August 2020, the total dividend amounted to 23.0p per ordinary share, a 2.7% increase on the total dividend for the prior financial year and, once again, comfortably above the 12-month inflation figure of 0.5% for the same period.

The revenue streams from the companies in which we invest on your behalf have proved as resilient as anticipated. Accordingly, we are not having to access the Company's revenue reserves in order to cover the dividend. We will in fact, as we have done in prior years, be adding a small amount to the reserve which will remain available to smooth the dividend during times of severe economic or financial shock.

Share issuance
Demand for the Company's shares continued unabated during the year. We issued a total of 10,815,000 new shares, raising £37.3m for further investment. All shares were issued at a premium thereby enhancing the net asset value for existing shareholders and enabling the costs of the Company to be spread over a wider investor base.

In the period since the end of the financial year to the date of this report, we have issued 530,000 shares, raising a further £1.6m for investment.

Succession planning
When I wrote to you at this time last year, I set out the Board's succession plans. David Mashiter had signalled his intention to retire from the Board during the course of the 2020 calendar year, and I had tasked my fellow directors with finding my successor so that I might step down as Chairman the following year.

The dramatic, and tragic, events of the last eight months combined with what we anticipate will be several years of increased uncertainty as markets, central banks and governments navigate their way through the worst of the economic effects of the pandemic, has given the Board cause to revisit these plans.

David's experience of the investment world, along with his diligence and attention to detail will be crucial in steering the Company through the difficult times ahead. I have, with the unanimous support of all directors, asked David to remain on the Board for a while longer.

My fellow directors have also determined that the search for my successor should be put on hold for the time being. The Board will be revisiting the timing for the implementation of its succession planning next year and I look forward to reporting to you on this aspect in due course.

Annual General Meeting
The Company's annual general meeting will be held at 11.00am on Thursday 21 January 2021. As restrictions on public gatherings remain in place the Board has decided that the Meeting will be held as a closed meeting. This means that the Meeting will be convened with the minimum quorum of two shareholders to conduct the formal business of the Meeting. A pre-recorded presentation from your Fund Manager, Mike Kerley, will be posted to our website. Shareholders are invited to submit questions prior to the Meeting to ITSecretariat@janushenderson.com and we will endeavour to reply to you.

I urge all shareholders to complete and return their proxy form, or get in touch with their share dealing platform to instruct them to vote your shares. You are strongly recommended to appoint the Chairman of the Meeting as your proxy to ensure your shares are voted.

Outlook
In a rapidly changing world will the Asia Pacific region continue to provide the investment outcomes our shareholders want? That is the question many are asking.

This is an entirely understandable concern when investors note the increasing US/China tensions, Covid-19 social and economic impact, decoupling of supply chains, western reaction to recent events in Hong Kong and technology wars.

Standing back and observing the bigger picture, however, the outlook for the region remains positive. Asia with its massive population, rising middle class, burgeoning consumption levels and rapid take-up of technology will provide superior growth in the long term.

The Covid-19 pandemic has and continues to have a devastating impact both socially and economically across the world. However, the impact will be felt unevenly. Asia seems to have coped much better than many other countries in the west and elsewhere. China is largely back to work and is forecasted to have 1.9%[1] GPD growth in 2020, significantly better than the global forecast of minus 4.4%[1]. South Korea and Taiwan too appear to have stabilized the situation and are returning to growth.

Not all of Asia, however, has been so well prepared and organised. India, the second largest economy in the region, and Indonesia, the fourth, are struggling to contain the spread of the virus while many of the emerging Asia economies have not had the necessary infrastructure in place to deal with a health emergency like an entirely unexpected global pandemic. Despite positive growth from China, the IMF is forecasting a modest decline of 1.7%[1] for the emerging and developing Asian economies as a whole – significantly better than the decline in advanced economies of 5.8%[1] for 2020. But Asia learns and after the 2008 financial meltdown many Asian countries introduced structural reforms to cope with events like that and tangible economic benefits emerged. It is likely that Covid-19 will also accelerate further reforms with long term positive implications.

Financial stimulus and monetary response have been very restrained within the region. China has provided a stimulus package representing 4.5%[2] of GDP whereas in the 2008/9 financial crisis it provided 12.5%[3]. Unlike in many developed economies, the Chinese Central Bank has not used its balance sheet to buy government bonds. Instead, it is leaning on the credit channel to stimulate the economy. This response from the region's largest economy stands in contrast to the trillions of dollars outlaid by the west, a heavy financial burden that will take years to resolve, negatively impacting growth.

The US/China trade and technology war is not going away whoever wins the Presidential election and many developed countries now see it is in their own interests to decouple the supply chain and lower their dependence on China. The EU, led by Germany and France, is redefining its relationship with China citing unfair trade practices and human rights abuses notably the Uighur issue that is contrary to accepted western values. Australia, too, is going down a similar path and the US has an even wider agenda to contain China which they see as a threat to the US led world order.

This push back is understandable from a western perspective but in practice will be mitigated significantly by reality. China remains the second largest economy in the world and will continue to have significantly higher levels of growth than in the west resulting from its huge population, continued rapid infrastructure development, technology advancement (much of it home grown) and rapid adoption and integration into the wider Asian region with a combined population of 4.5 billion which is estimated to contain 66% of the world's middle class within 10 years. This is a reality no western business can ignore. China is going to be the world's largest market for an increasing number of products and services for the foreseeable future. Major US corporations, regardless of Presidential tweets, cannot afford to abandon such a market opportunity. Germany too is wrestling with how best to redraw its relationship with China which accounts for 50% of its trade with the Indo-Pacific region. German companies have concerns about doing business and protecting their intellectual property in China. But it is a difficult path to tread. About 40% of vehicles sold last year by Volkswagen, as well as nearly 30% by Daimler and BMW, were in China. Volkswagen CEO Herbert Diess refers to China as his company's most important market. The introduction of the Chinese Security Law into Hong Kong has been painful for Britain which feels a moral responsibility to maintain the status quo until 2047 when the arrangements of the Special Administrative Region come to an end. It has been painful for China as well. Social and political risks in Hong Kong are not new. These risks drastically increased over the last year when the mass transportation systems and the aviation system were brought to a standstill and violence erupted in the streets. Business was seriously disrupted and the outlook for continued chaos forced China to provide a solution. Although there has been no noticeable exodus of expatriate professionals or foreign business to date, we will have to wait and see whether the solution is successful in the longer term.

While Hong Kong is less important to China today it remains an essential part of regional development in south east China. What is known as 'The Greater Bay Area' ('GBA') is a massive experiment in how best to develop a cluster of cities that enable superior development but in a more sustainable and greener way and one that improves the lifestyle of residents. The GBA is a cluster of 9 large cities including Hong Kong, Macau, Shenzhen and Guangzhou, in the Pearl river delta. As part of this programme, Hong Kong has been linked to Macau by a 34 mile cross water bridge. An investment of this magnitude does not support the view often expressed in the western press that Hong Kong is of little importance to China. Interestingly, and rather perversely, the recent introduction of US financial restrictions passed by the Senate in May and to be signed off by the President later this year will benefit Hong Kong. Under these regulations it will not be possible for any company to list in the US unless it can prove it is not controlled by a foreign Government and opens itself to inspection by the Public Accounting Oversight Board. The Chinese regulator allows audit trail access in investigations but not inspections. Hence Chinese companies with secondary listings in the US will have to move elsewhere or liquidate. According to a recent report from UBS, 42 of these companies already qualify for listing in Hong Kong. This will lead to a series of very large initial public offerings that are likely to keep Hong Kong's financial sector buoyant over the medium term and limit any tendency for foreign banks to withdraw. It will have an added benefit for the A share market which will welcome the increase in quality listings and provide a better balance between nominal GDP and equity market capitalization.

Policy makers in China have announced that they will measure progress in the GBA against environmental metrics, health and lifestyle ratings, innovation and education scores and measurement of economic output in both absolute and value added terms. This is a reflection of some of the modern demands made on western business and perhaps in time developments in the GBA will produce some lessons useful for us all.

Taking the big picture again the outlook for Asia, with China at the centre, offers attractive opportunities for investors. China will continue to have much stronger growth than in the west over the next 20-30 years driven by its huge population, better financial health at both the corporate and government level, further urbanisation involving around 300 million people providing huge infrastructure growth and development, a vibrant technology industry accompanied by rapid take up. China is now fully integrated into the US led world order and is the largest trading partner for many countries. The rest of Asia is participating in this transformation as well, as many countries in the region have risen from poverty, from utter destitution and damage in the aftermath of World War II. This process has taken a very long time with many painful events along the way but now they represent a formidable competitor to the west.

As described, Asia is on a strong upward economic growth path. But what about the politics of Asia? Should we, as investors, be concerned about this? China is by far the largest and most important country in the region and its political system matters. It matters because many of its policies do not sit well with western observers with an entirely different political tradition and many other countries in Asia are looking enviously at China's success to see what lessons they might usefully learn.

China has a socialist political system together with a capitalist economic system. This has never been tried before, certainly not by any country of size. The system has led to uneven wealth distributions - hardly an expected socialist outcome and President Xi has publicly acknowledged that high wealth imbalances erode social cohesion. China's political system then is a 'work in progress' that needs to address this problem and it will continually evolve for many years to come. This transition is by far the biggest and most difficult problem facing China. If the socialist side of the equation adversely impacts the free market economy the middle class will suffer. It will not willingly sacrifice its newly achieved privileges of modern housing, good education for their children, the latest cars and foreign holidays. They will look at Taiwan and South Korea with equally successful economies, but much less Government control and ask 'why not China?' Continued economic success is therefore critical to social stability which is probably the most important objective of the Chinese government. A modern technology driven economy needs openness to new ideas and an ability to think the unthinkable. Will the current level of Party control allow that? Economic and social realities in China will dictate developments, but over time.

Political developments in China over the past 30-40 years have clearly been driven by a pragmatic approach rather than a rigid dogmatic unyielding one. When it is clear that a current policy is not achieving expected results, then alternatives are tested, usually in a defined area. This has been tried in China many times, sometimes successfully other times less so. The most recent is the GBA mentioned above. Recently it was announced that Hong Kong lawyers have been given licences to operate within the GBA. Is this an early stage development to test whether importing Hong Kong law into mainland China would work?

Another example is in the fund management sector. China has an enormous pool of savings but lacks world best practice in funds management. Earlier this year BlackRock, the world's largest fund manager, was given approval to enter partnership with a state owned bank. Vanguard, another large fund manager, is relocating its regional headquarters to Shanghai and Citigroup is the first US bank to receive a fund custody licence in China. China recognises it has a problem with an existing inadequate and a non-competitive domestic fund management industry. It has no problem looking to the US for ideas if that is the best way to progress.

In summary, evidence suggests that investors can expect Asia Pacific to continue to provide attractive investment opportunities and dividend flows that meet our criteria. Of course there will be continued tensions with the west as global economic power shifts, but the underlying fundamentals of Asia remain compelling and the region deserves a place in every diversified portfolio.

John Russell
Chairman
3 November 2020

1 IMF World Economic Outlook, October 2020
2 IMF Policy Responses to Covid-19, September 2020
3 Wong, Christine (2011), 'The Fiscal Stimulus Programme and Public Governance Issues in China', OECD Journal on Budgeting, Vol. 11/3 http://dx.do.org/10.1787/budget-11-5kg3nhljqrj

FUND MANAGERS' REPORT

In the thirteen years I have been writing the Fund Managers' report for the Company I have never had to comment on a year like the one we have just had. The global pandemic, trade wars and political uncertainty are just a few of the factors that the world has had to deal with – any of which would have been more than enough to unsettle financial markets in normal times. But normal times these are not and some equity markets are trading above the levels of a year ago after staging a remarkable recovery following the Covid-19 induced sell-offs in March. Central bank and government response has been dramatic and fuelled the rally but, at the time of writing, some indices have reached pre-Covid highs while nominal GDP will take many years to recover to previous levels. This has created a disconnect between underlying fundamentals and valuation which is difficult to comprehend.

On the whole, Asia Pacific has proved more resilient than most other regions despite the pandemic originating there. We have dedicated a piece looking at the impact of Covid-19 on the region in the annual report, but it is fair to say that the handling and response has been much more effective than elsewhere in the world. As a result, the economies are well on their way to recovery and, in fact, some will still show GDP growth this year. Not everywhere has been a success; India and Indonesia in particular are still struggling with containment which will result in their economies taking longer to heal.

Aside from the Covid-19 pandemic, the deteriorating relationship between the US and China dominated financial headlines, especially earlier in the reporting period. The restrictions imposed by the US on Huawei and other leading Chinese tech companies on the grounds of national security has undone some of the promise brought about by the signing of a Phase 1 trade deal in January 2020. At the time of writing this deal still holds, but with the US election due in November and anti-China rhetoric from both parties ratcheting up, it is difficult to say whether it will survive the next few months. It is fair to say that, whichever party wins in November, the relationship between the US and China will remain fraught for many years to come.

Like most other regions round the world Asian central banks and governments have cut interest rates and increased budgets to offset the impact of the downturn. With the exception of Australia and Singapore whose fiscal responses to the pandemic have exceeded 10% of GDP, the rest of the region has been more restrained. China, in particular, is only projected to spend around 4.5%[1] of GDP on measures to shore up manufacturing and protect jobs, reluctant to repeat the mistakes made after the global financial crisis of 2008 where the excess spend led to over-capacity, excess inventory and a significant accumulation of debt. The targeted measures appear to be working with industrial profits rising 20% year-on-year in September and retail sales turning positive for the first time since the start of the pandemic. There have been encouraging signs elsewhere with Taiwan and Korea showing improving trends driven by exports and manufacturing while the buoyant market for commodities and iron ore in particular has been a boost for Australia. The signs are less encouraging in south Asia with Thailand still reeling from the lack of tourist arrivals and India and Indonesia still struggling to contain the spread of the virus. The exception in the south is Vietnam where the number of virus cases has been contained at very low levels and the economy is growing almost unhindered, benefiting from the trend of companies diversifying manufacturing facilities away from China.

Overall the Asia Pacific ex Japan region is expected to see a modest decline in 2020 GDP, with north Asia proving more resilient than ASEAN[2], India and Australasia. Corporate earnings are expected to decline by a similar magnitude with growth in the technology, health care and consumer staples sectors offset by weakness in the energy, travel and tourism and consumer discretionary sectors. From a valuation point of view, the significant rise in prices and marginally negative earnings has resulted in Asia Pacific ex Japan trading at 15.5x forward earnings which is above its long-term average. This looks attractive compared to the valuations of other global equity markets, which have seen similar or higher levels of price increase, but with far greater declines in earnings.

The best performing market over the period was China, driven by strong returns from Tencent, Alibaba and other internet and e-commerce related names. Taiwan was a significant outperformer as the technology sector was viewed as a beneficiary of the demand for work from home computer products while also gaining market share from mainland China in products subject to US restrictions. Korea managed a positive return, albeit small. The underperformers were in south Asia, with Thailand propping up the list as the restrictions on international travel severely impacted the tourism sector which accounts for around 20% of GDP. The Philippines, Indonesia and Singapore posted significant declines as south Asia took the brunt of investor selling but without the bounce-back catalyst of an investable new economy sector. At the sector level performance in technology, consumer services (which includes e-commerce) and health care increased over 20% while telecommunications, utilities, financials and energy posted significant declines.

Dividends in Asia Pacific have been more resilient than elsewhere. There have been some notable dividend cuts and omissions from HSBC, as well as Australian and Singapore banks and companies exposed to the energy and travel related sectors, but on the whole dividends have been paid as expected. This is partly due to the fact that some markets (China, Taiwan and Hong Kong) paid dividends based on 2019 earnings, but also reflects the high levels of cash flow generation and low levels of debt that Asian companies have. With China and Taiwan expected to have positive earnings growth in 2020, we do not expect dividends to be impacted next year when distributions are made on this year's earnings.

Performance

Over the period the Asia Pacific ex Japan markets posted a total return of 7.9% in Sterling terms as measured by the FTSE All-World Asia Pacific ex Japan Index. Despite interest rates at record lows, dividend yield has underperformed considerably with the MSCI AC Asia Pacific ex Japan High Dividend Yield Index falling 7.7%. Your Company's return of minus 9.9% is below that of the broad and high yield indices and reflects our focus on value and yield.

The biggest beneficiaries of the market moves have been the technology stocks where pandemic lockdowns have brought forward the demand for online services and some of the hardware that supports it. The NYFANG+ Index in the US, which includes a selection of the largest 'new' technology names such as Amazon, Apple, Google and Tesla, has almost doubled from its March lows and is almost 50% above its pre-crisis levels. The same is true in Asia Pacific where Alibaba and Tencent combined now account for over 11% of the regional FTSE Asia Pacific ex Japan Index and are trading 25% and 27% respectively above their pre-crisis highs. With value and yield only partly shielded on the downside and not participating in the rebound, markets have been extremely tricky for the income seeking investor.

At the stock level the Company has benefited from some strong performances in Taiwan Semiconductor, China Resources Cement, Fortescue Mining, Kweichow Moutai and Taiwan Cement but these were overshadowed by poor performance in Treasury Wine Estates, Telekomunikasi Indonesia, Mapletree Commercial Trust, Bank Negara Indonesia and Dexus.

Revenue

As mentioned by the Chairman in his report, the dividend income generated by the portfolio rose by 6.9% compared to last year reflecting the strong income potential of the portfolio, helped by the fact that over 40% of the companies owned paid dividends based on the prior year's earnings. The significant issue of new shares also boosted revenue as the proceeds were invested into income generating investments. Option premia rose substantially, up 54.4% from a year earlier, which reflects the higher market volatility and higher premiums received. Eleven options were written which is in line with prior years. Overall total income rose 9.6% resulting in a healthy addition to the revenue reserve to ensure smooth distribution of dividends in the years ahead should the need arise.

Strategy

From the outset of the Covid-19 pandemic and when it became clear that the economic impact would be material, we positioned the portfolio to focus on the beneficiaries of government response which we envisaged would be focused on manufacturing and job retention rather than consumer related. This was most obvious in our positioning in China where we added China Railway Construction and China Resources Cement while also increasing our exposure to BHP Group Limited and Rio Tinto Limited, and adding Fortescue Mining in Australia where we expected the demand for materials from greater investment spending to be beneficial for prices. We took the opportunity to reduce our exposure to commercial banks as lower interest rates and higher provisioning would be detrimental to profitability and dividends. We believed that lower rates would be supportive for asset prices, similar to the recovery post the global financial crisis of 2008, and as a result increased our exposure to real estate. While our economic views have played out largely as expected the market reaction has not, with structural growth stories attracting a lot of attention almost irrespective of price. The dividend growth stocks we have in the portfolio are more focused on improving consumer trends and we are looking to add to these areas as Asia normalises post the pandemic. Despite a period of disappointing performance, we retain these views and are focusing on companies with valuation support, strong and growing cash flows and attractive dividends. With interest rates likely to remain low for some considerable time and aging populations struggling to find income in other asset classes, we expect that the demand for the stocks we own will improve in the months and years ahead.

Outlook

We remain positive on the outlook for Asia in the years ahead but expect volatility in the short term as the world digests the virus impact and potentially navigates a 'second wave', while the US election and relations between the US and China remain events that are difficult to predict. Although global equity markets are currently feasting on the liquidity provided by central government support, this can't last forever and eventually the stimulus will have to be withdrawn. Asia is well positioned to weather these impending storms with an income story that shines like a beacon of stability compared to other regions. We will continue to focus on attractive companies which are beneficiaries of this relative stability with strong balance sheets and cash flow, and sustainable and growing dividends. The portfolio is poised to take advantage in more structural growth areas if volatility provides opportunities.

Mike Kerley and Sat Duhra
Fund Managers
3 November 2020

1 IMF Policy Responses to Covid-19, September 2020
2 ASEAN member countries: Brunei, Cambodia, Indonesia, Lao, Malaysia, Myanmar, Philippines, Singapore, Thailand and Vietnam.

Investment portfolio as at 31 August 2020

Rank 2020	Rank 2019	Company	Country of incorporation	Sector	Valuation 2020 £'000	% of portfolio
1	1	Taiwan Semiconductor Manufacturing[1]	Taiwan	Technology	19,840	4.69
2	39	Samsung Electronics[2]	South Korea	Technology	18,610	4.40
3	6	Taiwan Cement	Taiwan	Industrials	15,863	3.75
4	38	BHP Group Limited	Australia	Basic Materials	14,576	3.45
5	-	CITIC Securities	China	Financials	13,928	3.30
6	30	Rio Tinto Limited	Australia	Basic Materials	12,964	3.07
7	4	Macquarie Korea Infrastructure Fund	South Korea	Financials	12,492	2.96
8	2	HKT Trust & HKT	Hong Kong	Telecommunications	12,401	2.93
9	-	AIA Group	Hong Kong	Financials	11,943	2.83
10	19	Spark New Zealand	New Zealand	Telecommunications	11,709	2.77
		Top ten investments			**144,326**	**34.15**
11	23	Macquarie Group	Australia	Financials	11,692	2.77
12	8	Kweichow Moutai	China	Consumer Goods	11,649	2.76
13	41	Powertech Technology	Taiwan	Technology	11,623	2.75
14	31	China Vanke	China	Property	11,485	2.72
15	10	Mapletree Industrial Trust REIT	Singapore	Property	11,439	2.71
16	-	Sun Hung Kai Properties	Hong Kong	Property	11,302	2.67
17	14	China Construction Bank	China	Financials	11,298	2.67
18	18	Ascendas REIT	Singapore	Property	11,206	2.65
19	37	SK Telekom[1]	South Korea	Telecommunications	11,066	2.62
20	-	Hengan	Hong Kong	Consumer Goods	11,043	2.61
		Top twenty investments			**258,129**	**61.08**
21	44	Yageo	Taiwan	Technology	11,002	2.60
22	5	Digital Telecommunications Infrastructure Fund	Thailand	Telecommunications	10,920	2.58
23	-	Quanta Computers	Taiwan	Technology	10,451	2.47
24	-	Bank of China	China	Financials	10,372	2.46
25	34	VinaCapital Vietnam Opportunity Fund	Vietnam	Financials	10,163	2.41
26	-	Telstra	Australia	Telecommunications	9,783	2.32
27	9	Telekomunikasi Indonesia	Indonesia	Telecommunications	9,687	2.29
28	-	China Resources Cement	China	Industrials	9,611	2.27
29	-	Melco Crown Entertainment	China	Consumer Goods	9,175	2.17
30	7	China Yangtze Power	China	Utilities	9,116	2.16
		Top thirty investments			**358,409**	**84.81**
31	-	CTBC Financial Holdings	Taiwan	Financials	8,296	1.96
32	-	China Overseas Land	China	Property	8,247	1.95
33	-	Fortescue Metals	Australia	Basic Materials	7,985	1.89
34	29	Spark Infrastructure	Australia	Utilities	7,781	1.84
35	-	China Railway Construction	China	Industrials	7,269	1.72
36	25	Dexus	Australia	Property	6,734	1.60
37	13	Intouch Holdings	Thailand	Telecommunications	6,602	1.56
38	33	Sands China	China	Consumer Services	6,282	1.49
39	26	PTT	Thailand	Oil & Gas	6,089	1.44
40	45	China Forestry Holdings	China	Basic Materials	-	-
		Top forty investments			**423,694**	**100.26**
41	-	CITIC Securities Call Option (Expiry 07/10/20)	China	Financials	(61)	(0.01)
42	-	Taiwan Semiconductor Manufacturing Call Option (Expiry 16/10/20)	Taiwan	Technology	(238)	(0.06)
43	-	Fortescue Metals Call Option (Expiry 30/11/20)	Australia	Basic Materials	(297)	(0.07)
44	-	China Railway Put Option (Expiry 07/10/20)	China	Industrials	(494)	(0.12)
		Total investments			**422,604**	**100.00**

1 American Depositary Receipts
2 Preferred Shares

Sector exposure at 31 August 2020
(% of portfolio excluding cash)

	2020 %	2019 %
Financials	**21.3**	16.8
Telecommunications	**17.1**	20.2
Technology	**16.9**	7.9
Property	**14.3**	18.1
Basic Materials	**8.3**	9.0
Industrials	**7.6**	7.0
Consumer Goods	**5.4**	9.4
Utilities	**4.0**	5.0
Consumer Services	**3.7**	2.0
Oil & Gas	**1.4**	4.6

Geographic exposure at 31 August 2020
(% of portfolio excluding cash)

	2020 %	2019 %
Australia	**16.8**	18.0
China	**25.5**	25.3
Hong Kong	**11.0**	6.9
Indonesia	**2.3**	4.7
New Zealand	**2.8**	2.3
Singapore	**5.4**	9.9
South Korea	**10.0**	8.2
Taiwan	**18.2**	13.8
Thailand	**5.6**	8.9
Vietnam	**2.4**	2.0

PRINCIPAL RISKS

The Board, with the assistance of the Manager, has carried out a robust assessment of the principal and emerging risks facing the Company, including those that would threaten its business model, future performance, solvency and liquidity. In carrying out this assessment, we have considered both regional and global geopolitical risks, as well as the political instability arising from the UK's ongoing negotiations with the European Union on a partnership and trade agreement, and the impact that the Covid-19 pandemic has, and continues to have, on global markets. We do not consider the UK's ongoing negotiations to be a material risk except for the impact on currency movements as the Company's functional currency is Sterling, but it invests and receives dividends in a broad range of Asian currencies. As regards the impact of the pandemic, we do not consider this a long term threat to the Company.

We have, with the assistance of the Manager, drawn up a matrix of risks facing the Company and have 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 we have taken to mitigate these are set out in the table below. We do not consider these risks to have changed during the period.

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

  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 investment limits and restrictions determined by the Board, which include limits on the extent to which borrowings may be employed. The Board reviews compliance with limits and monitors performance at each Board meeting.

  The Board has received additional reporting from the Fund Manager enabling them to keep abreast of the impact which the Covid-19 pandemic has had on the portfolio.

- ***Accounting, legal and regulatory***
  The Company is regulated by the Jersey Financial Services Commission and is required to comply with the Companies (Jersey) Law 1991, the Financial Conduct Authority's Listing Rules, Transparency Guidance and Disclosure Rules and Prospectus Rules 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.

  The Manager provides investment, company secretarial, administration and accounting services through qualified professionals. The Board receives quarterly internal control reports from the Manager which demonstrate compliance with legal and regulatory requirements and assesses the effectiveness of the internal control environment in operation at the Manager at least annually.

  The Board has sought and received assurances from the Manager that effective controls have continued to operate and that the level of risk events has not increased while staff have worked from home.

- ***Operational***
  Disruption to, or the failure of, the Manager 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 vulnerabilities through one or more of its service providers.

  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.

  The Board receives presentations and updates from the Manager's Global Head of Business Continuity in respect of contingency planning in the event of disruptions or system failures. The Audit Committee reviews the independently audited reports on the effectiveness of internal controls at key third-party service providers throughout the year. These reports set out the effectiveness of the respective service providers' contingency planning arrangements. Additional ad hoc reporting may be requested on specific areas of concern.

  The Board has sought and received assurances from its key third-party service providers of their ability to function effectively during the UK government's lockdown measures and also on the robustness of their cyber security arrangements with most staff having worked remotely since March.

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

  The Company minimises the risk of counterparties failing to deliver securities or cash by dealing through organisations that have undergone due diligence by the Manager. Details on the risk management systems utilised by the Manager are set out in note 13 in the annual report.

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, but acknowledges the inherent shorter-term uncertainties in equity markets.

The assessment considers the likely impact of the principal risks facing the Company materialising in severe, but plausible scenarios. In particular, the Board considers the investment strategy and the absolute return performance, as well as performance against indices and other funds with a similar mandate. Notwithstanding the uncertainties in global markets caused by the Covid-19 pandemic, the Board does not believe that these will have a long term impact on the viability of the Company.

The directors take 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 generally comprises 40-50 investments in companies spread over a wide range of sectors and geographical areas; hence there is little concentration. The directors consider the Company's borrowing facility in terms of its duration, the headroom available under any covenants and how a breach of any of those covenants could impact the Company's net asset value and share price.

Based on their assessment, which included consideration of the Company's ability to refinance the loan facility, and the fact that the Company's financial commitments are small in relation to the current value of the portfolio, 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 the 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 expenses and remuneration for which there were no outstanding amounts payable at the year end. In relation to the provision of services by the 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 Manager affecting the financial position of the Company during the year under review. More details on transactions with the Manager, including amounts outstanding at the year end, are given in note 19 in the annual report.

DIRECTORS' RESPONSIBILITY STATEMENTS

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 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

John Russell
Chairman
3 November 2020

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 August 2020			Year ended 31 August 2019		
	Revenue return £'000	**Capital return £'000**	**Total return £'000**	Revenue return £'000	Capital return £'000	Total return £'000
Investment income (note 3)	**35,344**	**-**	**35,344**	33,075	-	33,075
Other income (note 4)	**3,410**	**-**	**3,410**	2,281	-	2,281
(Losses)/gains on investments held at fair value through profit or loss	**-**	**(78,516)**	**(78,516)**	-	2,122	2,122
Net foreign exchange loss excluding foreign exchange losses on investments	**-**	**(836)**	**(836)**	-	(1,127)	(1,127)
	---------	----------	-----------	---------	----------	-----------
Total income	**38,754**	**(79,352)**	**(40,598)**	35,356	995	36,351
Expenses						
Management fees	**(1,942)**	**(1,942)**	**(3,884)**	(1,973)	(1,973)	(3,946)
Other expenses	**(494)**	**(494)**	**(988)**	(479)	(478)	(957)
	---------	----------	----------	---------	----------	----------
Profit/(loss) before finance costs and taxation	**36,318**	**(81,788)**	**(45,470)**	32,904	(1,456)	31,448
Finance costs	**(101)**	**(100)**	**(201)**	(254)	(254)	(508)
	---------	--------	---------	---------	--------	---------
Profit/(loss) before taxation	**36,217**	**(81,888)**	**(45,671)**	32,650	(1,710)	30,940
Taxation	**(3,630)**	**482**	**(3,148)**	(3,148)	514	(2,634)
	---------	---------	----------	---------	---------	----------
Profit/(loss) for the year and total comprehensive income	**32,587**	**(81,406)**	**(48,819)**	29,502	(1,196)	28,306
	======	======	======	======	=======	=======
Earnings/(loss) per ordinary share – basic and diluted (note 5)	**23.71p**	**(59.23p)**	**(35.52p)**	23.38p	(0.95p)	22.43p
	======	======	======	======	======	======

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 2020				
	Stated share capital £'000	**Distributable reserve £'000**	**Capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
Total equity at 31 August 2019	**167,599**	**180,471**	**96,059**	**24,992**	**469,121**
Total comprehensive income:					
(Loss)/profit for the year	**-**	**-**	**(81,406)**	**32,587**	**(48,819)**
Transactions with owners, recorded directly to equity:					
Dividends paid	**-**	**-**	**-**	**(31,651)**	**(31,651)**
Shares issued	**37,458**	**-**	**-**	**-**	**37,458**
Share issue costs	**(182)**	**-**	**-**	**-**	**(182)**
	----------	----------	----------	----------	----------
Total equity at 31 August 2020	**204,875**	**180,471**	**14,653**	**25,928**	**425,927**
	======	======	======	======	======

	Year ended 31 August 2019				
	Stated share capital £'000	Distributable reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
Total equity at 31 August 2018	139,698	180,471	97,255	23,580	441,004
Total comprehensive income:					
(Loss)/profit for the year	-	-	(1,196)	29,502	28,306
Transactions with owners, recorded directly to equity:					
Dividends paid	-	-	-	(28,090)	(28,090)
Shares issued	27,985	-	-	-	27,985
Share issue costs	(84)	-	-	-	(84)
	----------	----------	----------	----------	----------
Total equity at 31 August 2019	167,599	180,471	96,059	24,992	469,121
	======	======	======	======	======

The total column of this statement represents the Statement of Changes in Equity, prepared in accordance with IFRS as adopted by the European Union.

The Statement of Changes in Equity is presented in a columnar basis to include separate disclosure of share capital and the various reserves under guidance published by the Association of Investment Companies.

BALANCE SHEET

	31 August 2020 £'000	31 August 2019 £'000
Non current assets		
Investments held at fair value through profit or loss	**423,694**	477,963
Current assets		
Other receivables	**14,384**	4,842
Cash and cash equivalents	**3,879**	6,360
	----------	----------
	18,263	11,202
	----------	----------
Total assets	**441,957**	489,165
	----------	----------
Current liabilities		
Investments held at fair value through profit or loss - written options	**(1,090)**	(1,489)
Deferred taxation	**(64)**	(66)
Other payables	**(7,407)**	(1,969)
Bank loans	**(7,469)**	(16,520)
	----------	----------
	(16,030)	(20,044)
	----------	----------
Net assets	**425,927**	469,121
	======	======
Equity attributable to equity shareholders		
Stated share capital	**204,875**	167,599
Distributable reserve	**180,471**	180,471
Retained earnings:		
Capital reserves	**14,653**	96,059
Revenue reserves	**25,928**	24,992
	----------	----------
Total equity	**425,927**	469,121
	======	======
Net asset value per ordinary share	**301.02p**	358.99p
	======	======

STATEMENT OF CASH FLOWS

	Year ended 31 August 2020 £'000	Year ended 31 August 2019 £'000
Operating activities		
(Loss)/profit before taxation	**(45,671)**	30,940
Add back finance costs payable	**201**	508
Losses/(gains) on investments held at fair value through profit or loss	**78,516**	(2,122)
Net foreign exchange loss excluding foreign exchange losses on investments	**836**	1,127
Sales of investments	**524,714**	297,306
Purchases of investments	**(549,180)**	(308,924)
Decrease/(increase) in prepayments and accrued income	**795**	(1,022)
Increase in amounts due from brokers	**(10,318)**	(479)
Decrease in amounts due to brokers	**5,231**	-
Increase in other payables	**41**	1,227
Stock dividends included in investment income	**(180)**	(557)
	----------	----------
Net cash inflow from operating activities before interest and taxation	**4,985**	18,004
Interest paid	**(200)**	(535)
Increase in corporation tax payable	**166**	-
Withholding tax on investment income	**(3,170)**	(2,655)
	----------	----------
Net cash inflow from operating activities after interest and taxation	**1,781**	14,814
	----------	----------
Financing activities		
Net loan repayment	**(8,886)**	(15,937)
Equity dividends paid	**(31,651)**	(28,090)
Share issue proceeds	**37,458**	27,985
Share issue costs	**(182)**	(84)
	----------	----------
Net cash outflow from financing	**(3,264)**	(16,126)
	----------	----------
Decrease in cash and cash equivalents	**(1,483)**	(1,312)
Cash and cash equivalents at the start of the year	**6,360**	7,117
Exchange movements	**(1,001)**	555
	----------	----------
Cash and cash equivalents at the end of the year	**3,879**	6,360
	======	======

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

The Company's financial statements for the year ended 31 August 2020 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

	2020	2019
	£'000	£'000
Overseas investment income	**35,164**	32,518
Stock dividends	**180**	557
	----------	----------
	35,344	33,075
	======	======

Analysis of investment income by geography:

Australia	**7,513**	7,487
China	**12,761**	8,594
Hong Kong	**2,373**	2,264
India	**617**	-
Indonesia	**765**	701
Malaysia	**-**	235
New Zealand	**746**	701
Singapore	**1,421**	2,678
South Korea	**2,826**	3,032
Taiwan	**4,459**	5,437
Thailand	**1,620**	1,854
Vietnam	**243**	92
	----------	----------
	35,344	33,075
	======	======

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

4. Other income

	2020	2019
	£'000	£'000
Bank and other interest	**14**	81
Option premium income	**3,396**	2,200
	--------	--------
	3,410	2,281
	=====	=====

5. Earnings per ordinary share

The earnings per ordinary share figure is based on the net loss for the year of £48,819,000 (2019: profit £28,306,000) and on the weighted average number of ordinary shares in issue during the year of 137,436,515 (2019: 126,210,619).

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

	2020 £'000	2019 £'000
Net revenue profit	**32,587**	29,502
Net capital loss	**(81,406)**	(1,196)
	----------	----------
Net total (loss)/profit	**(48,819)**	28,306
	======	======
Weighted average number of ordinary shares in issue during the year	**137,436,515**	126,210,619

	2020 Pence	2019 Pence
Revenue earnings per ordinary share	**23.71**	23.38
Capital loss per ordinary share	**(59.23)**	(0.95)
	---------	---------
Total (loss)/earnings per ordinary share	**(35.52)**	22.43
	=====	=====

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

Dividend	**Record date**	**Pay date**	**2020 £'000**	**2019 £'000**
Fourth interim dividend 5.50p for the year ended 2018	2 November 2018	30 November 2018	**-**	6,768
First interim dividend 5.50p for the year ended 2019	1 February 2019	28 February 2019	**-**	6,874
Second interim dividend 5.50p for the year ended 2019	3 May 2019	31 May 2019	**-**	7,017
Third interim dividend 5.70p for the year ended 2019	2 August 2019	30 August 2019	**-**	7,431
Fourth interim dividend 5.70p for the year ended 2019	1 November 2019	29 November 2019	**7,627**	-
First interim dividend 5.70p for the year ended 2020	31 January 2020	28 February 2020	**7,822**	-
Second interim dividend 5.70p for the year ended 2020	1 May 2020	29 May 2020	**7,995**	-
Third interim dividend 5.80p for the year ended 2020	31 July 2020	28 August 2020	**8,207**	**-**
			---------	----------
			31,651	28,090
			======	======

The fourth interim dividend for the year ended 31 August 2020 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 £32,587,000 (2019: £29,502,000).

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

	2020 £'000	2019 £'000
Revenue available for distribution by way of dividend for the year	**32,587**	29,502
First interim dividend of 5.70p (2019: 5.50p) paid 28 February 2020 (28 February 2019)	**(7,822)**	(6,874)
Second interim dividend 5.70p (2019: 5.50p) paid 29 May 2020 (31 May 2019)	**(7,995)**	(7,017)
Third interim dividend 5.80p (2019: 5.70p) paid 28 August 2020 (30 August 2019)	**(8,207)**	(7,431)
Proposed fourth interim dividend for the year ended 31 August 2020 of 5.80p (2019: 5.70p) (based on 142,023,564 shares in issue at 30 October 2020) (2019: 133,808,564)	**(8,237)**	(7,627)
Undistributed revenue for s.1158 purposes	**326**	553

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:

	2020		2019	
	Net asset value per share pence	**Net asset value attributable £'000**	Net asset value per share pence	Net asset value attributable £'000
Ordinary shares	**301.02p**	**425,927**	358.99p	469,121

The basic net asset value per ordinary share is based on 141,493,564 (2019: 130,678,564) 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:

	2020 £'000	2019 £'000
Net assets attributable to ordinary shares at beginning of year	**469,121**	441,004
Total net (loss)/profit after taxation	**(48,819)**	28,306
Dividend paid	**(31,651)**	(28,090)
Issue of ordinary shares net of issue costs	**37,276**	27,901
Net assets attributable to ordinary shares at 31 August	**425,927**	469,121

8. Stated share capital

		2020		2019	
	Authorised	**Issued and fully paid**	**£'000**	Issued and fully paid	£'000
Opening balance at 1 September					
Ordinary shares of no par value	Unlimited	**130,678,564**	**167,599**	**122,753,564**	**139,698**
Issued during the year		**10,815,000**	**37,458**	**7,925,000**	**27,985**
Share issue costs		**-**	**(182)**	**-**	**(84)**
Closing balance at 31 August		**141,493,564**	**204,875**	**130,678,564**	**167,599**

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 10,815,000 (2019: 7,925,000) shares for the proceeds of £37,276,000 (2019: £27,901,000) net of costs.

9. Subsequent events

Since the year end the Company has issued 530,000 shares for net proceeds of £1,641,000.

On 6 October 2020, the Company announced an interim dividend of 5.80p per ordinary share in respect of the year ended 31 August 2020 to shareholders on the register (the record date) at 30 October 2020. The shares will be quoted ex-dividend on 29 October 2020.

10. 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. The directors have considered the impact of Covid-19, including cash flow forecasting, a review of covenant compliance including the headroom above the most restrictive covenants and an assessment of the liquidity of the portfolio. They have concluded that they are able to meet their financial obligations, including the repayments of the bank loan, as they fall due for at least twelve months from the date this report. 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.

11. Financial information for 2020

The figures and financial information for the year ended 31 August 2020 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.

12. Financial information for 2019

The figures and financial information for the year ended 31 August 2019 are compiled from an extract of the published accounts and do not constitute the statutory accounts for that year.

13. Annual Report 2020

The annual report and financial statements will be posted to shareholders in November 2020 and copies will be available on the Company's website (www.hendersonfareastincome.com).

14. Asia Pacific Dividend Index 2020

The latest edition of the Company's Asia Pacific Dividend Index was published in June 2020. The Index tracks the trend in dividends paid by companies listed across this fast-growing part of the world. To access a copy, visit the *Documents* section of the Company's website at: www. hendersonfareastincome.com

15. Annual General Meeting

The Company's 14th Annual General Meeting will be held on Thursday 21 January 2020 at 11.00am. In light of the ongoing Covid-19 pandemic, the Board has decided that the Meeting will be held as a closed meeting. This means the meeting will be convened with the minimum quorum of two shareholders (facilitated by the Company) to conduct the formal business of the Meeting. As such, other shareholders (including corporate representatives) and their proxies will be unable to attend the Meeting in person this year. Shareholders are strongly recommended to appoint the Chairman of the Meeting as their proxy to ensure their shares are voted.

16. General Information

Company Status

The Company is a Jersey domiciled closed end investment company, number 95064, which was incorporated in 2006 and is listed on the London and New Zealand stock exchanges. The Company became UK tax resident with effect from 1 September 2018.

SEDOL/ISIN: Ordinary Shares: 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): 213800801QRE00380596

Directors and Secretary

The directors of the Company are John Russell (Chairman), Nicholas George (Chairman of the Audit Committee), Julia Chapman, Timothy Clissold and David Mashiter. With effect from 1 April 2020, the Corporate Secretary is Henderson Secretarial Services 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

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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.