LEGAL ENTITY IDENTIFIER: 2138008DIQREOD38O596

HENDERSON FAR EAST INCOME LIMITED

Financial results for the year ended 31 August 2023

This announcement contains regulated information

Investment Objective

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

Total return performance to 31 August 2023 *(including dividends reinvested)*

	1 year %	3 years %	5 years %	10 years %
NAV[1, 5]	-13.0	-4.9	-8.9	41.7
Share price[2, 5]	-14.8	-10.3	-10.9	38.4
FTSE All-World Asia Pacific ex Japan Index[3]	-7.2	5.1	15.4	96.2
MSCI AC Asia Pacific ex Japan High Dividend Yield Index[3]	0.1	25.4	18.4	72.3

Financial highlights	**at 31 August 2023**	at 31 August 2022
Shareholders' funds		
Net assets (£'000)	**362,032**	435,576
NAV per ordinary share	**222.12p**	281.11p
Share price	**218.00p**	281.00p

	Year ended 31 August 2023	Year ended 31 August 2022
Profit/(loss) for year		
Revenue return (£'000)	**33,219**	37,102
Capital return (£'000)	**(89,459)**	(29,145)
	------------	------------
Net total (loss)/profit	**(56,240)**	7,957
		=======
Total earnings/(loss) per ordinary share		
Revenue	**20.92p**	24.41p
Capital	**(56.35p)**	(19.18p)
	------------	------------
Total (loss)/earnings per ordinary share	**(35.43p)**	5.23p
Ongoing charge[4]	**0.97%**	1.01%

1. Net asset value (NAV) total return performance including dividends reinvested
2. Share price total return using closing price including dividends reinvested
3. The Company does not have a benchmark and uses these indices for comparison purposes only
4. Calculated using the methodology prescribed by the Association of Investment Companies
5. NAV total return, share price total return and the ongoing charge are considered alternative performance measures. More information on these can be found in the Company's annual report.

Sources: Morningstar Direct, Janus Henderson Investors

CHAIRMAN'S STATEMENT

Introduction

2023 has been a very difficult year for investors with rapidly increasing interest rates shifting expectations dramatically and undermining what many hoped would be a strong post-Covid recovery period in the Asia Pacific region. This was not to be. Instead, we have faced geopolitical shocks, ongoing supply chain disruptions and new juxtapositions in market behaviour. Against this backdrop, our investment results are easier to understand, however disappointing they may be.

Performance

Whilst the Company has once again achieved our high income objective, the investment performance from a capital growth perspective over the past financial year has been unsatisfactory. The NAV total return performance for the period ended 31 August 2023 was -13.0%, versus the FTSE All-World Asia Pacific ex Japan Index of -7.2% and MSCI All Country Asia Pacific ex Japan High Dividend Yield Index of 0.1%. The year-end dividend yield of 11.1% was not enough to compensate for a falling share price, with the share price total return standing at -14.8% for the period. Since the year-end, investment performance has deteriorated further and this represents a three-year period of underperformance, where capital returns have suffered when compared to both market indices and many of our competitors.

Against this backdrop, the Board has looked often and hard at the reasons for these results and I will use this opportunity to present both an analysis of the factors which shaped this outcome and an outline of what your Company is doing to address them.

What happened?

- Investment styles go through periods of being both in and out of fashion. In the low interest rate environment, valuation tended to matter less, and our Fund Managers valuation-focused investment style has therefore been out of favour.
- China weightings, China stock selection and the timing of our exposure to this important economy and market have been the most significant contributing factors. Since the lifting of Covid restrictions, the pace of China's recovery fell short of expectations and the negative impact of global supply chain shifts on how Chinese companies would prosper has been more severe. An over allocation to China was exacerbated by our exposure to Hong Kong which has increasingly moved in lockstep with the mainland over the Covid period and beyond.
- The low combined weighting in India, Japan and Taiwan in our portfolio has also had a negative influence.
- Our strong income bias has historically justified this absence but these markets have performed strongly over the period.
- Our overweight exposures to the energy and materials sectors, the latter including investments in copper and lithium which will be in demand to meet 'green' targets, have been held back by questions about the rate of economic recovery.

Our Fund Managers' report expands on all these points in further detail and outlines their forward thinking alongside the current positioning of the portfolio.

Strategy

Working closely with the investment manager, your Board holds a formal review of the Company's investment strategy at least annually. This year we have spent a substantial amount of extra time outside of formal board meetings considering this matter – the impact of that strategy on performance and its appropriateness both over the long term and in the current market conditions. We also focused on the yield of the portfolio, projections for dividends from the Asia Pacific region, and our investment prospects for the portfolio and the region in general. In light of this re-examination, several points can be made:

First, that our strategy to provide an attractive, growing dividend without giving up the potential for a degree of long-term capital growth remains both appropriate and achievable. As we have in the past, we aim to achieve this objective by identifying a combination of companies with high and sustainable cash flow generation and dividends, and those achieving growth that are predicted to be the high yielding companies of the future. As dividend growth in the region slowly returns to its historic trend next year, we believe that prospects for the future will be much improved.

Second, while we believe our broader strategy remains correct, we have sought to refine the process used to achieve our objectives. Given our income focus, income returns from stocks has been significantly undermined by the strength of sterling, especially over the last year. Our Fund Managers had sought to enhance income and offset sterling strength through portfolio rebalancing but this had a negative impact on capital growth. Our analysis has now led us to revise the way in which we capture dividends, an approach that has too often led to diminished capital growth. We have now largely restructured the portfolio to allow the renewed growth in portfolio company dividends to come through along with better capital growth returns. Through this transition period, we will use our distributable reserves to supplement your Company's dividend. In addition to maintaining a progressive dividend, re-establishing the Company's long-term record of capital growth will be a critical factor in restoring shareholder confidence. The Fund Managers' report will comment on this in more detail.

Third, strong sentiment around China's reopening prospects in the fourth quarter of 2022 reinforced our long-term investment case for the market and supported a significant position. While the economic power and potential of many Chinese sectors remains compelling, macroeconomic influences have ultimately overwhelmed some robust fundamentals, with broader market sentiment now muted on the market. Further, there is increasing homogeneity between the markets of Hong Kong and China. With this in mind, and with the dividend culture in other markets including India improving rapidly, we are broadening our scope to include more companies from elsewhere in the region.

We have worked closely with our Fund Managers to address our capital performance challenges and devise an effective path forward. As part of this process, we have agreed that now is the right time to pass the fund management leadership role to Sat Duhra. The Board has full confidence in Sat's ability to manage the portfolio going forward, and he has been part of a long-standing succession plan having been co-manager since 2019. Mike Kerley will be retiring from the asset management industry in June 2024 and will support Sat to ensure a smooth transition process. Mike has played a critical role in the Company's historical development and the Board would like to thank him for his many contributions over the years and wish him well in all his future endeavours.

We believe it is in the best interests of all shareholders to support these changes while benefitting from a revised investment implementation approach.

The Board remains committed to its historic progressive dividend policy together with capital growth and we will continue to monitor performance closely, taking additional action if we believe our revised implementation approach is not improving investment returns as we expect.

Dividend

The Board has again increased its dividend to shareholders, marking 16 consecutive years of uninterrupted dividend progress. A total dividend of 24.20p has been paid in respect of the year ended 31 August 2023, representing a 1.7% increase on the dividend paid last year.

In keeping with the outcome of our discussions on strategy and implementation, we have opted to augment our fourth interim dividend using the Company's substantial reserves. We have therefore covered £5.7m of the dividend from distributable reserves. Doing so enables our Fund Managers to better position the portfolio, with scope to invest in a greater number of companies with higher growth characteristics.

Board refreshment

I was pleased to announce the appointment of two new directors on 19 September 2023. Susie Rippingall and Carole Ferguson will join as members of the Board with effect from 1 December 2023. Both are outstanding investment professionals with strong backgrounds in areas that will enhance your Board's future decision-making while giving us a better overall balance.

Susie is an investment professional with more than 25 years of fund management experience in Asian markets. Carole has extensive experience in the financial services sector in research, finance and sustainability. We believe both will contribute meaningfully to our discussions and bring new perspectives. Indeed, they have already made important contributions to our discussions of strategy and implementation. We invite shareholders to join us at the next annual general meeting to meet Susie and Carole, along with the rest of the Board. Both will offer themselves to shareholders for election.

Having successfully completed this recruitment process, David Mashiter will be retiring at the conclusion of the forthcoming annual general meeting. I would very much like to thank David for his many years' service to the Company, his thorough and thoughtful contemplation of the matters for discussion in and out of Board meetings, as well as his robust, but always courteous, challenge to all of us. His views will be missed.

AGM

The Company's 17th Annual General Meeting is due to be held at 12.00 pm am on 24 January 2024 at the offices of our investment manager, 201 Bishopsgate, London, EC2M 3AE. The Notice of Meeting has been posted to shareholders with a copy of this annual report and I encourage all shareholders to submit their votes to the registrar or their share dealing platform accordingly.

The Fund Managers will provide their usual update on the Company's performance and their outlook for the region. They and all directors will be available to answer any questions you may have.

Recent results & outlook

While the underlying business performance of our portfolio holdings has been much as expected, their stock prices have not generally reflected these gains. Since our financial year-end in August, our high exposure to Greater China has been an unhappy experience, reflecting a far less robust rate of recovery than we earlier expected. Some new holdings have benefitted results but not enough to offset the damage from elsewhere.

As I have noted above, we are in the process of making changes that we believe will lead to improved results over the balance of the year and beyond. The economic fundamentals of the Asia Pacific region remain attractive and will look increasingly so when compared to the slowing performance of western markets. As our portfolio re-captures its capital growth and with our commitment to the Company's progressive dividend policy, we look forward to reporting more satisfactory results in the future. Our focus and commitment are determined and unwavering. The opportunities are still very much evident and at more attractive valuations than we have seen in many years.

The Fund Managers' report that follows will give you a more detailed discussion of both past events and future expectations. I believe it underscores many good reasons for optimism about the future.

Ronald Gould
Chairman
29 November 2023

FUND MANAGERS' REPORT

The period under review was dominated by global inflationary pressures, conjecture on the path of interest rates and the war in Ukraine amongst other factors. The scars of the Covid-19 pandemic continued to be uncovered as evidenced by the magnitude of the shock to supply chains, which was unanticipated by investors and contributed to the initial rise in inflation data. However, it was manner of the response to Covid-19 in China and the subsequent weak recovery once restrictions had been lifted that produced the greatest impact on our performance. We had expected to capitalise on a strong recovery in China once the economy re-opened after a period of strictly enforced restrictions, however, this failed to materialise and our China consumer holdings suffered as a result. In addition to that, a steady flow of negative macroeconomic data, property sector defaults and concerning levels of leverage at local governments impacted sentiment towards our other holdings in the country. Our performance in China in recent years has been unsatisfactory and we are in the process of re-positioning this part of our portfolio towards higher quality growth names, which are now attractive on valuation, and come with a genuine domestic advantage and growing dividends.

Our investment style aims to take advantage of market mis-pricings where we believe the Net Present Value of future cashflows is not reflected in the current share price. However, this style has been distinctly out of favour in recent times as demonstrated by the outperformance of growth over value in most markets. Despite interest rates rising and therefore the cost of capital increasing in equity valuations, the emergence of themes such as Artificial

Intelligence ('AI') have supported the thesis of higher growth into the future boosting the valuation of many expensive stocks. We expect this to reverse as rates remain higher for longer, pressuring the high valuation of many growth names. However, this may not transpire to the same degree in China where value names are more intrinsically tied to the fortunes of the economy versus underlying operational trends given that much of the high dividend universe are State Owned Enterprises ('SOEs'). The structural issues faced by China, amplified by the collapse of the heavily indebted China Evergrande Group and subsequent defaults, combined with the collapse in property volumes and the ensuing impact on local government fiscal positions, have dampened our enthusiasm for high yield value names in China. We have begun the process of adding more attractive growth and yield names in other markets such as Indonesia and India where there is less regulatory risk and a much clearer path to growth without the structural impediments currently faced by China. Notwithstanding this we expect to continue uncovering opportunities in China, especially at the current depressed valuations.

More generally the rapid rise in interest rates has, unsurprisingly, created problems most notably in the regional banks in the US and the UK pension industry where the belief that interest rates would remain low indefinitely, were brutally exposed by the dramatic central bank moves. Consumer spending has slowed but remained more resilient than many expected as savings accumulated during the pandemic have offset the higher cost of food, energy and mortgages. This, though, has probably delayed the economic slowdown rather than postponed it. The World Bank expects global growth to be 2.4% in 2024 with the contribution from developed economies only 1.2%. The US is expected to grow by 0.8% and the EU, by 1.3%. All recent revisions have seen 2023 adjusted upwards and 2024 downwards, reflecting the lagging nature of this cycle's monetary tightening.

The inflationary impact in Asia has been less pronounced. Most countries in the region did not receive the same fiscal support as the western world during the pandemic and, as a result, excess liquidity did not push up asset prices and wages in the same way as elsewhere. Labour shortages and supply disruptions were also less pronounced. As a result, the rise in inflation was caused mostly by rising food and energy prices and, as these have fallen, central banks in the region have started to ease rates. In short, Asian economies have had to raise rates less than their western peers and will be reducing them sooner. However, there are exceptions. Australia, New Zealand and Japan are three as they share greater similarities with advanced economies, compared to developing Asia.

Despite superior fundamentals, the performance of the region has been disappointing with Asian markets significantly lagging the 5.3% positive return from the S&P 500 and 7.9% return from the FTSE 100 over the Company's financial year. The weakness of China is partly to blame, but the strength of the US dollar and a tightening of liquidity from higher interest rates has prompted flows away from equities as there are now attractive returns to be achieved on cash and lower risk bonds. The other phenomenon that has distracted growth investors is the rise to prominence of AI. A large proportion of positive returns, especially in 2023, have been derived in this area as borne out by the strong performance of the 'Big 7' US technology stocks (Microsoft, Apple, Google, Meta, Amazon, Nvidia and Tesla) compared to the rest of the market. Although Asia has some beneficiaries of this trend, most notably in Korea and Taiwan, the region as a whole could be seen as a net loser from AI as funds flow to more attractive, if less quantifiable, growth alternatives.

China was the weakest market in the region, although it rallied over 40% in local currency terms following the removal of the Covid restrictions at the end of October 2022. It has subsequently fallen almost 15% by the end of August. Although there are clearly headwinds associated with slower global trade and US sanctions/ geo-political risk, a number of problems within the China economy are self-imposed. The clampdown on the property and education sectors, in a valiant attempt to address wealth inequality, together with regulatory probes on private enterprises in the technology sector, have sapped confidence. After being locked-down for almost three years during the pandemic, while their largest asset (property) decreased in value, the Chinese consumer is reluctant to spend and, unlike their counterparts in the west, have continued to save. The Chinese government has begun introducing various measures to stimulate demand and to shore-up the finances of property developers, local governments and households. All the while cutting interest rates and bank reserve requirements to ensure the system is sufficiently liquid. As yet, there are no meaningful improvements. Having said that, the industrial production, manufacturing PMI (purchasing managers index) and industrial profits data in September suggest a mild improvement while anecdotal evidence of travel expenditure and consumer trends during the Golden Week holiday at the beginning of October, are somewhat encouraging.

In local currency terms, the FTSE All-World Asia Pacific ex Japan Index rose 3.0%. However, with sterling appreciating 10.2% over the period this translated into a total return performance of -7.2%, impacting returns for the UK based investor. The best performing market in local currency terms was Taiwan, where the AI beneficiaries, mostly in the server and data centre arena, were particularly strong. The weakness of the Taiwan dollar though resulted in a small negative return in sterling terms leaving Singapore as the only country in the region to post a positive return in sterling terms, mainly due to currency resilience. China and Hong Kong were the worst performing countries, while basic materials, technology and financials headed the sector list.

Performance

The Company's NAV total return was -13.0% over the period while the share price total return was -14.8%, as the share price moved to a small discount at the financial year-end. For comparison purposes the FTSE All-World Asia Pacific ex Japan index was -7.2% while the MSCI Asia Pacific ex Japan High Dividend Yield Index for the same period was 0.1%.

Without doubt, it has been a disappointing period for the Company's capital performance. Although the high level of yield has partly impacted capital returns, a far greater proportion of underperformance can be attributed to stock selection and country allocation, especially through the Covid period, but also more recently in calendar year 2023. We have highlighted below the key areas impacting performance and our assumptions that prompted this positioning.

At the start of 2023, we expected three events to dictate market performance. Firstly, we expected China to stage a broad-based recovery from Covid with the consumer leading the way as excess savings accumulated through the pandemic would be spent. Secondly, we expected slower global growth, especially in developed markets, would lead to lower demand for technology products such as personal computers, laptops and smartphones as consumers felt the squeeze from higher living costs. As a result, we avoided Taiwanese contract manufacturers and hence were under-represented relative to the index and peers when the AI theme took hold. Finally, we believed that materials and energy, and especially green transition materials, would be resilient, partly because of a recovery in China and emerging markets, but more importantly because of a lack of supply and new avenues of growth, namely electric vehicles and grid upgrades.

The biggest positive contributions over the period were Bank Mandiri in Indonesia, Lenovo and Samsonite in China and Hong Kong, NTPC in India and Goodman Group in Australia. Detractors from performance were predominantly China based consumer discretionary stocks; JD.com (e-commerce) and Li Ning (sports goods) fell over 50%, while China Yongda (passenger vehicles) over 40%, China buildings material company CNBM also fell over 50% while Digital Telecommunications in Thailand fell more than 30%.

Revenue

Dividend income from companies held in the portfolio fell 8.2% and income from options was flat compared to last year. The fall in revenue was partly due to the strength of sterling, but also from the lower levels of distribution from energy and materials companies as the price of oil and industrial metals declined.

In sterling terms, the level of dividend growth in Asia in recent years has been below our expectations. The volatility in sterling in recent years has had a significant impact given that dividend growth in local currencies has been positive in the last decade with the exception of 2020. The ability of corporates in the Asia Pacific region to pay dividends is certainly not in question with record levels of cash held on balance sheets and one of the lowest net debt to equity ratios globally. It is the unwillingness of corporates to increase dividends in periods of elevated global volatility that has contributed to a recent lack of meaningful growth in dividends. In addition, we had an elevated contribution from materials and energy holdings last year, amounting to approximately 31% of our total income. The subsequent weakness in commodities led to a marked reduction in dividends from this sector. However, we expect that Asia will return to a growth profile in line with historical trends and nominal Gross Domestic Product, but in the meantime the Company intends to utilise distributable reserves to meet its objective of a progressive dividend policy.

Strategy

The Board has reaffirmed its commitment to the dividend and has made it clear that utilising distributable reserves is preferable to chasing yield at the expense of capital growth. This will allow greater exposure to compelling capital growth opportunities where absolute dividend per share is growing but the current dividend yield is yet relatively low. This has also contributed to the lower portfolio turnover this year relative to the last financial year as genuine structural dividend growth opportunities were balanced with high sustainable yield names. Whilst a number of growth opportunities in markets where we have been underweight in recent years such as India, Indonesia and Taiwan have already performed well, there are still significant opportunities in the years ahead. The nascent improvement in Indian and Indonesian macro-economics has the potential for a long pathway of growth, the resilience of the Indian rupee and Indonesian rupiah versus the US dollar this year is a testament to improved sentiment. Indonesia has begun posting a current account surplus, growth is strong and the country is set to reap the benefits of significant infrastructure completion. India is seeing the benefit of earlier reforms such as the Bankruptcy Code, which has helped to de-risk the banking system speeding up recovery of bad debts. In addition, corporates are deleveraging, real estate asset prices are rising and the uptick in private sector capital expenditure alongside higher government investment, bodes well for the outlook. Investments in India have already appeared in our top contributors list for the period despite the current low positioning. We have added to both markets and observe more opportunities.

At the overall portfolio level, we retain a balance between stable high yielding companies and those with strong cash flow and dividend growth. The weakness in share prices and resilient earnings have seen Asian companies de-rate to valuation levels that are attractive relative to their own history and to other markets. This applies both to high yielding and dividend growth companies, allowing for plenty of opportunity to accumulate propositions at attractive valuations. In previous years some of the best regional and global themes have been outside the remit of a value-based investment process due to elevated valuations. Recent underperformance has made some of these areas much more attractive and the portfolio now has exposure to Chinese e-commerce, Indian renewable energy, consumption in Indonesia and China as well as mining companies that provide the raw materials for the transition to electric vehicles and clean energy. An example of the opportunities available is Samsonite, the global luggage brand, which we have just added to the portfolio. The Hong Kong listed company is experiencing a strong demand recovery following Covid, but the shares have languished relative to peers with earnings upgrades outstripping share price performance. As a result, the stock is trading at 11x forward earnings despite having 20% earnings growth forecast for the next few years and dividend yield which is forecast to go from zero to 6% within three years.

At the country level, our highest weighting at the year-end was in China at 19.7%, the companies we own have exposure to consumption, insurance, wealth management, electricity grid upgrades, technology and an improvement in infrastructure spending. We do not have any exposure to property developers or banks. Our exposure in Australia is predominantly in mining companies as we have a cautious outlook on the domestic economy.

In India, the power sector is dominated by state owned companies, but following the push to transition to cleaner energy, opportunities have arisen for some of these companies to embrace this new area of growth. We own NTPC and Power Grid which provide exposure to this theme at a significant valuation discount to the market and bring with them an attractive dividend yield. We have also added HDFC Bank which provides us with exposure to domestic credit and mortgage growth at half the valuations it once traded at following a degree of uncertainty following a merger with its finance arm.

ESG

Environmental, social and governance (‘ESG’) concerns are an important part of our investment approach, but we believe in a pragmatic stance that looks to engage rather than avoid. We believe that the transition from where we are to where we want to be is the most important part of this process. What this means in practice is that we don’t exclude any sector, with the exception of munitions, from our investment universe but look to invest in companies with an awareness of their environmental and social impact, as well as an approach to managing them, and work with them to set and achieve targets for improvement. Our belief is that these companies will take market share away from the those which don’t commit to change over time, improving the environment and working conditions for all. As responsible investors, it is our duty to help this transition rather than to divest and hand that responsibility to someone else.

We regularly engage with the companies we invest in to ensure that the targets set are viable and that there is a clear and coherent strategy on how to achieve them.

Outlook

We are focused on re-establishing the capital performance of the Company alongside our long- standing income mandate and whilst the headlines around China, some fair and some unfair, have dominated news flows, this has masked the strong performance in several of our other markets. The strength of a number of themes which are unique to our region and are yet to fully play out, creates an exciting time for investors. We are witnessing the build-out of green infrastructure, strong consumption trends, technology supply chains supporting global innovation and financial inclusion as household wealth increases, amongst others.

Asian markets have, however, struggled over the last five years and are now at attractive valuations relative to other regions. Record low interest rates and supportive fiscal policies have encouraged money flows into alternative risk assets such as housing, private equity, special purpose acquisition companies and crypto currency, to name a few, at the expense of Asia and Emerging Markets. The return of inflation and higher interest rates has called into question some of these investment destinations and should lead to a focus on fundamentals now that the cost of capital is well above zero.

There are, though, some headwinds. Higher for longer interest rates in the US will most likely lead to a stronger US dollar, which historically has been a challenge for Asia, and the relationship between the US and China around Taiwan and access to technology continues to have the potential to escalate. There is also considerable risk in China with local governments facing significant bond maturities this year and property volumes still weak. We believe that the Chinese government still has the monetary and fiscal tools to address these issues, but it is sure to be a bumpy ride. In light of this, we have reduced the Company's exposure to China notably since the financial year-end. New positions have been initiated in high quality dividend growth names in other markets where the macro-economics are tailwinds rather than headwinds. We do not anticipate these changes to impact the level of income the portfolio will generate.

As the developed world slows over the next couple years, the growth differentials between Asia Pacific and the US, EU and UK will look increasingly attractive, which we believe will prompt positive flows to the region and be supportive of equity market returns.

Mike Kerley and Sat Duhra
Fund Managers
29 November 2023

Investment portfolio as at 31 August 2023

Ranking 2023	Ranking 2022	Company	Country of incorporation	Sector	Value 2023 £'000	% of portfolio
1	16	Taiwan Semiconductor Manufacturing[1]	Taiwan	Technology	14,365	3.73
2	12	Hon Hai Precision Industry	Taiwan	Technology	14,265	3.70
3	7	Macquarie Korea Infrastructure Fund	South Korea	Financials	14,100	3.66
4	26	Samsung Electronics[2]	South Korea	Technology	13,512	3.51
5	8	VinaCapital Vietnam Opportunity Fund	Vietnam[3]	Financials	12,476	3.24
6	-	Midea Group	China	Consumer discretionary	11,231	2.92
7	21	Bank Mandiri	Indonesia	Financials	11,109	2.88
8	10	Rio Tinto Limited	Australia	Basic Materials	10,650	2.76
9	1	BHP Group Limited	Australia	Basic Materials	10,462	2.72
10	-	Ping An Insurance	China	Financials	10,261	2.66
		Top Ten Investments			**122,431**	**31.78**
11	5	Santos	Australia	Energy	9,748	2.53
12	4	Macquarie Group	Australia	Financials	9,706	2.52
13	3	Woodside Energy	Australia	Energy	9,619	2.50
14	-	Goodman Group	Australia	Real Estate	9,352	2.43
15	18	CITIC Securities	China	Financials	8,829	2.29
16	-	Samsonite International	Hong Kong	Consumer discretionary	8,815	2.29
17	-	Lenovo	China	Technology	8,182	2.12
18	-	Anta Sports	China	Consumer discretionary	8,111	2.10
19	29	Mapletree Logistics	Singapore	Real Estate	7,897	2.05
20	22	AIA Group	Hong Kong	Financials	7,652	1.98
		Top Twenty Investments			**210,342**	**54.59**
21	14	United Overseas Bank	Singapore	Financials	7,634	1.99
22	-	Nari Technology	China	Industrials	7,570	1.97
23	-	HSBC	Hong Kong	Financials	7,356	1.91
24	15	Spark New Zealand	New Zealand	Telecommunications	7,335	1.90
25	-	HDFC Bank	India	Financials	7,329	1.90
26	-	Oversea-Chinese Banking	Singapore	Financials	7,328	1.90
27	17	SK Telekom[1]	South Korea	Telecommunications	7,159	1.86
28	-	Astra International	Indonesia	Consumer discretionary	7,117	1.85
29	-	Sumitomo Metal Mining	Japan	Basic Materials	7,018	1.82
30	-	Pilbara Minerals	Australia	Basic Materials	6,800	1.76
		Top Thirty Investments			**282,988**	**73.45**
31	-	Oil & Natural Gas	India	Energy	6,542	1.70
32	35	Sun Hung Kai Properties	Hong Kong	Real Estate	6,469	1.68
33	2	HKT Trust & HKT	Hong Kong	Telecommunications	6,260	1.63
34	33	LG Corp	South Korea	Industrials	6,257	1.62
35	-	Swire Properties	Hong Kong	Real Estate	6,208	1.61
36	23	CapitaLand Integrated Commercial Trust	Singapore	Real Estate	6,204	1.61
37	6	JD.com	China	Consumer discretionary	6,096	1.58
38	11	PT Telkom	Indonesia	Telecommunications	6,006	1.56
39	-	Power Grid	India	Utilities	5,934	1.54
40	-	Alibaba Group	China	Consumer discretionary	5,792	1.50
		Top Forty Investments			**344,756**	**89.48**
41	27	MediaTek	Taiwan	Technology	5,765	1.50
42	-	ASE Technology	Taiwan	Technology	5,509	1.43
43	9	Digital Telecommunications Infrastructure Fund	Thailand	Telecommunications	5,140	1.34
44	36	Mega Financial	Taiwan	Financials	5,127	1.33
45	-	NTPC	India	Utilities	4,904	1.27
46	28	China National Building Material	China	Industrials	4,710	1.22
47	39	Guangdong Investment	Hong Kong	Utilities	4,683	1.21
48	37	Li-Ning	China	Consumer discretionary	3,593	0.93
49	41	China Yongda Automobiles	China	Consumer discretionary	2,680	0.70
50	42	China Forestry	China	Basic Materials	-	-
		Top Fifty Investments			**386,867**	**100.41**
51	-	Alibaba Group Put 89 (expiry 26/10/23)	China	Consumer discretionary	(48)	(0.01)

52	-	Pilbara Minerals Put 4.41 (expiry 07/09/23)	Australia	Basic Materials	(259)	(0.07)
53	-	CITIC Securities Call 16.6 (expiry 29/11/23)	China	Financials	(272)	(0.07)
54	-	Li-Ning Put 39.9 (expiry 28/09/23)	China	Consumer discretionary	(475)	(0.12)
55	-	JD.com Put 138 (expiry 08/11/23)	China	Consumer discretionary	(528)	(0.14)
		Total Investments			**385,285**	**100.00**

1 American Depositary Receipts
2 Preferred Shares
3 Incorporated in Guernsey with 100% exposure to Vietnam
4 Unquoted investment valued at £nil

Sector exposure at 31 August 2023
(% of portfolio excluding cash)

	2023 %	2022 %
Financials	**28.2**	25.8
Technology	**16.0**	9.7
Consumer Discretionary	**13.6**	5.9
Real Estate	**9.4**	8.6
Basic Materials	**9.0**	15.6
Telecommunications	**8.3**	19.9
Energy	**6.7**	9.6
Industrials	**4.8**	3.7
Utilities	**4.0**	1.2
	100%	100.0

Geographic exposure at 31 August 2023
(% of portfolio excluding cash)

	2023 %	2022 %
China	**19.7**	17.1
Australia	**17.2**	24.3
Hong Kong	**12.3**	9.4
Taiwan	**11.7**	9.3
South Korea	**10.7**	13.4
Singapore	**7.5**	10.2
India	**6.4**	1.9
Indonesia	**6.3**	5.2
Vietnam	**3.2**	3.2
New Zealand	**1.9**	2.9
Japan	**1.8**	-
Thailand	**1.3**	3.1
		100.0

MANAGING RISKS

Principal risks and emerging risks

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

Alongside the principal risks, the Board considers emerging risks, which are defined as potential trends, sudden events or changing risks which are characterised by a high degree of uncertainty in terms of the probability of them happening and the possible effects on the Company. Should an emerging risk become sufficiently clear, it may be classified as a principal risk.

Our assessment includes consideration of the possibility of severe market disruption and some of the areas which we reviewed over the course of the year are outlined in the table below. The principal risks which have been identified and the steps we have taken to mitigate these are set out below:

- ***Investment and strategy***

  An inappropriate investment strategy, for example, in terms of asset allocation 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.

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

  The Board receives an update from the Fund Managers on market conditions in the region at each meeting. During the year, the Board considered the global economic and geopolitical environment including the repercussions of the Covid-19 pandemic, the ongoing war in Ukraine and recent conflict in the Middle East, the impact of this and the pandemic on supply chains, as well as tensions between China and the US, including over Taiwan. Consideration was also given to whether climate change could impact the value of the portfolio, but the Board concluded that this was not the case at present as the investments continued to be valued based on quoted market prices.

- ***Accounting, legal and regulatory***

  The Company is regulated by the Jersey Financial Services Commission, under the Collective Investment Funds (Jersey) Law 1998, and is required to comply with the Companies (Jersey) Law 1991, the 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 investment manager provides investment management, company secretarial, administration and accounting services through qualified professionals. We receive quarterly internal control reports from the Manager which demonstrate compliance with legal and regulatory requirements and assess the effectiveness of the internal control environment in operation at the investment manager and our key third-party service providers at least annually.

- ***Operational***

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

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

The Board engages reputable third-party service providers and formally evaluates their performance, and terms of appointment, at least annually.

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

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

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

  The Board reviews the portfolio valuation at each meeting.

  Investment transactions are carried out by a large number of approved brokers whose credit standard is periodically reviewed and limits are set on the amount that may be due from any one broker, cash is only held with the depositary/custodian or reputable banks.

  We review the broad structure of the Company's capital including the need to buy back or allot ordinary shares and the extent to which revenue in excess of that which is required to be distributed, should be retained.

  Further detail on how we mitigate these risks are set out in note 13 in the annual report.

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

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

- the Company's purpose and investment approach which means we remain a medium to long term investor;
- consideration of the principal risks and uncertainties facing the Company (set out in the table above) and determined that no significant issues had been identified;
- the nature of the portfolio which remained diverse comprising a wide range of stocks which are traded on major international exchanges meaning that, in normal market conditions, over 80% of the portfolio can be liquidated in 2 to 7 days;
- the closed-end nature of the Company which does not need to account for redemptions;
- the level of the Company's revenue reserves and size of the banking facility; and
- the expenses incurred by the Company, which are predictable and modest in comparison with the assets and the fact that there are no capital commitments currently foreseen which would alter that position.

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

- an aging population will continue to seek income opportunities through investing;
- investors will continue to wish to have exposure to investing in the Asia Pacific region;
- investors will continue to invest in closed-end funds;
- the Company's performance will improve following an in-depth review of strategy; and
- the Company will continue to have access to adequate capital when required.

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

RELATED PARTY TRANSACTIONS

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

DIRECTORS' RESPONSIBILITY STATEMENTS

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

- the Company's financial statements, which have been prepared in accordance with IFRS as adopted by the European Union on a going concern basis, give a true and fair view of the assets, liabilities, financial position and profit of the Company; and

- the annual report and financial statements include a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

For and on behalf of the Board

Ronald Gould
Chairman
29 November 2023

STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 August 2023			Year ended 31 August 2022		
	Revenue return £'000	**Capital return £'000**	**Total £'000**	Revenue return £'000	Capital return £'000	Total £'000
Investment income (note 3)	**37,331**	**-**	**37,331**	40,646	-	40,646
Other income (note 4)	**2,937**	**-**	**2,937**	2,925	-	2,925
Losses on investments held at fair value through profit or loss	**-**	**(87,446)**	**(87,446)**	-	(22,592)	(22,592)
Net foreign exchange profit/(loss) excluding foreign exchange losses on investments	**-**	**318**	**318**	-	(4,552)	(4,552)
Total (loss)/income	**40,268**	**(87,128)**	**(46,860)**	43,571	(27,144)	16,427
Expenses						
Management fees	**(1,456)**	**(1,456)**	**(2,912)**	(1,679)	(1,679)	(3,358)
Other expenses	**(525)**	**(524)**	**(1,049)**	(567)	(567)	(1,134)
(Loss)/profit before finance costs and taxation	**38,287**	**(89,108)**	**(50,821)**	41,325	(29,390)	11,935
Finance costs	**(766)**	**(766)**	**(1,532)**	(200)	(200)	(400)
(Loss)/profit before taxation	**37,521**	**(89,874)**	**(52,353)**	41,125	(29,590)	11,535
Taxation	**(4,302)**	**415**	**(3,887)**	(4,023)	445	(3,578)
(Loss)/profit for the year and total comprehensive income	**33,219**	**(89,549)**	**(56,240)**	37,102	(29,145)	7,957
(Losses)/earnings per ordinary share – basic and diluted (note 5)	**20.92p**	**(56.35p)**	**(35.43p)**	24.41p	(19.18p)	5.23p

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 2023				
	Stated share capital £'000	**Distributable reserve £'000**	**Capital reserves £'000**	**Revenue reserve £'000**	**Total £'000**
Total equity at 31 August 2022	**246,997**	**180,471**	**(18,558)**	**26,696**	**435,576**
Total comprehensive income:					
(Loss)/profit for the year	**-**	**-**	**(89,459)**	**33,219**	**(56,240)**
Transactions with owners, recorded directly to equity:					
Dividends paid	**-**	**-**	**-**	**(38,345)**	**(38,345)**
Shares issued	**21,083**	**-**	**-**	**-**	**21,083**
Share issue costs	**(42)**	**-**	**-**	**-**	**(42)**
	------------	------------	------------	------------	------------
Total equity at 31 August 2023	**268,038**	**180,471**	**(108,047)**	**21,570**	**362,032**
	=======	=======	=======	=======	=======

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

BALANCE SHEET

	31 August 2023 £'000	31 August 2022 £'000
Non current assets		
Investments held at fair value through profit or loss	**386,867**	438,527
Current assets		
Other receivables	**2,587**	3,673
Cash and cash equivalents	**3,944**	14,310
	6,531	17,983
Total assets	**393,398**	456,510
Current liabilities		
Investments held at fair value through profit or loss - written options	**(1,582)**	(1,031)
Deferred taxation	**(149)**	(155)
Other payables	**(1,444)**	(2,542)
Bank loans	**(28,191)**	(17,206)
	(31,366)	(20,934)
Net assets	**632,032**	435,576
Equity attributable to equity shareholders		
Stated share capital	**268,038**	246,997
Distributable reserve	**180,471**	180,471
Retained earnings:		
Capital reserves	**(108,047)**	(18,588)
Revenue reserves	**21,570**	26,696
Total equity	**362,032**	435,576
Net asset value per ordinary share	**222.21p**	281.11p

STATEMENT OF CASH FLOWS

	Year ended 31 August 2023 £'000	Year ended 31 August 2022 £'000
Cash flows from operating activities		
(Loss)/profit before taxation	**(52,353)**	11,535
Add back finance costs payable	**1,532**	400
Losses on investments held at fair value through profit or loss	**87,446**	22,592
Withholding tax on investment income	**(3,727)**	(3,662)
Net foreign exchange (profit)/loss excluding foreign exchange losses on investments	**(318)**	4,552
Decrease in prepayments and accrued income	**839**	1,876
Decrease/(increase) in amounts due from brokers	**37**	(37)
Decrease in other payables	**(1,064)**	(435)
	----------	----------
Net cash inflow from operating activities	**32,392**	36,821
	----------	----------
Cash flows from investing activities:		
Sales of investments	**348,721**	449,586
Purchases of investments	**(383,956)**	(447,589)
	----------	----------
Net cash (outflow)/inflow from investing activities	**(35,235)**	1,997
	----------	----------
Cashflow from financing activities		
Loan drawdown	**211,162**	88,078
Loan repayment	**(199,302)**	(100,658)
Equity dividends paid	**(38,345)**	(36,067)
Share issue proceeds	**21,083**	11,064
Share issue costs	**(42)**	(22)
Interest paid	**(1,522)**	(376)
	----------	----------
Net cash outflow from financing activities	**(6,966)**	(37,981)
	----------	----------
(Decrease)/increase in cash and cash equivalents	**(9,809)**	837
	----------	----------
Cash and cash equivalents at the start of the year	**14,310**	13,693
Exchange movements	**(557)**	(228)
	----------	----------
Cash and cash equivalents at the end of the year	**3,944**	14,310
	======	======

NOTES TO THE FINANCIAL STATEMENTS

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

The company was incorporated on 6 November 2006.

2. Accounting policies
The Company's financial statements for the year ended 31 August 2023 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

	2023 £'000	2022 £'000
Overseas investment income	37,304	40,570
Stock dividends	27	76
	----------	----------
	37,331	40,646
	======	======

Analysis of investment income by geography:

Australia	6,154	7,966
China	10,561	13,571
Hong Kong	2,653	2,899
India	347	972
Indonesia	2,271	547
Japan	181	-
New Zealand	579	907
Singapore	2,583	1,722
South Korea	5,488	3,759
Taiwan	5,351	6,926
Thailand	836	1,016
Vietnam	327	361
	----------	----------
	37,331	40,646
	======	======

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

4. Other income

	2023 £'000	2022 £'000
Bank and other interest	68	3
Option premium income	2,869	2,922
	--------	--------
	2,937	2,952
	=====	=====

5. Earnings/(losses) per ordinary share
The earnings/(losses) per ordinary share figure is based on the net loss for the year of £56,240,000 (2022: profit £7,957,000) and on the weighted average number of ordinary shares in issue during the year of 158,745,879 (2022: 152,008,180).

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

	2023 £'000	2022 £'000
Net Revenue profit attributable to ordinary shares	**33,219**	37,102
Net Capital loss attributable to ordinary shares	**(89,459)**	(29,145)
(Loss)/profit attributable to ordinary shares	**(56,240)**	7,957
Weighted average number of ordinary shares in issue during the year	**158,745,879**	152,008,180

		2022 Pence
Revenue earnings per ordinary share	**20.92**	24.41
Capital losses per ordinary share	**(56.35)**	(19.17)
Total (loss)/earnings per ordinary share	**(35.43)**	5.23

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**	**2023 £'000**	2022 £'000
Fourth interim dividend 5.90p for the year ended 2021	29 October 2021	26 November 2021	**-**	8,914
First interim dividend 5.90p for the year ended 2022	28 January 2022	25 February 2022	**-**	8,931
Second interim dividend 5.90p for the year ended 2022	29 April 2022	27 May 2022	**-**	8,943
Third interim dividend 6.00p for the year ended 2022	29 July 2022	26 August 2022	**-**	9,279
Fourth interim dividend 6.00p for the year ended 2022	28 October 2022	25 November 2022	**9,319**	-
First interim dividend 6.00p for the year ended 2023	27 January 2023	24 February 2023	**9,461**	-
Second interim dividend 6.00p for the year ended 2023	28 April 2023	26 May 2023	**9,650**	-
Third interim dividend 6.10p for the year ended 2023	28 July 2023	25 August 2023	**9,915**	**-**
			38,345	36,067

The fourth interim dividend for the year ended 31 August 2023 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 £33,219,000 (2022: £37,102,000).

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

	2023 £'000	2022 £'000
Revenue available for distribution by way of dividend for the year	**33,219**	37,102
First interim dividend of 6.00p (2022: 5.90p) paid 24 February 2023 (25 February 2022)	**(9,461)**	(8,931)
Second interim dividend of 6.00p (2022: 5.90p) paid 26 May 2023 (27 May 2022)	**(9,650)**	(8,943)
Third interim dividend of 6.10p (2022: 6.00p) paid 25 August 2023 (26 August 2022)	**(9,915)**	(9,279)
Fourth interim dividend for the year ended 31 August 2023 of 6.10p (2022: 6.00p) (based on 162,988,564 shares in issue at 24 November 2023) (2022: 155,323,564)	**(9,942)**	(9,319)

(Transfer from reserves)/undistributed revenue for s.1158 purposes	**(5,749)**	630
	======	======

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:

	2023		2022	
	Net asset value per share pence	**Net asset value attributable £'000**	Net asset value per share pence	Net asset value attributable £'000
Ordinary shares	**222.12p**	**362,032**	281.11p	435,576
	=======	**======**	======	======

The basic net asset value per ordinary share is based on 162,988,564 (2022: 154,948,564) ordinary shares, being the number of ordinary shares in issue. This is considered to be an Alternative Performance Measure, please see the annual report for further details.

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

	2023 £'000	2022 £'000
Net assets attributable to ordinary shares at beginning of year	**435,576**	452,644
Total net (loss)/profit after taxation	**(56,240)**	7,957
Dividends paid	**(38,345)**	(36,067)
Issue of ordinary shares net of issue costs	**21,041**	11,042
	------------	------------
	632,032	435,576
	=======	=======

8. Stated share capital

		2023		2022	
	Authorised	**Issued and fully paid**	**£'000**	Issued and fully paid	£'000
Opening balance at 1 September					
Ordinary shares of no par value	Unlimited	**154,948,564**	**246,997**	151,093,564	235,955
Issued during the year		**8,040,000**	**21,083**	3,855,000	11,064
Share issue costs		**-**	**(42)**	-	(22)
		----------------	**-----------**	----------------	------------
Closing balance at 31 August		**162,988,564**	**268,038**	154,948,564	246,997
		=========	**======**	=========	=======

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

During the year, the Company issued 8,040,000 (2022: 3,855,000) shares for proceeds of £21,041,000 (2022: £11,042,000) net of costs.

9. Subsequent events
On 17 October 2023, the Company announced an interim dividend of 6.10p per ordinary share in respect of the year ended 31 August 2023. The dividend will be paid on 24 November 2023 to shareholders on the register at 27 October 2023. The shares will be quoted ex-dividend on 26 October 2023.

10. Going concern statement
Notwithstanding the net current liability position at 31 August 2023, the directors have determined that it is appropriate to prepare the financial statements on a going concern basis and have concluded that the Company has adequate resources to continue in operational existence for at least twelve months from the date of approval of the financial statements.

In coming to this conclusion, the directors have considered the nature of the portfolio, which consists almost entirely of securities which are listed and regularly traded on recognised exchanges, the size of the Company's bank facility and the strength of its distributable reserves. The directors have reviewed cash flow forecasting, covenant compliance for the loan facility, the ability to make repayments on this facility and the liquidity of the portfolio. They have further considered the global economic and geopolitical environment including the repercussions of the Covid-19 pandemic, ongoing tensions between China and the US, as well as the war in Ukraine and recent conflict in the Middle East, the impact of these on supply chains and the possible impact of climate change risk on the value of the portfolio.

11. Financial information for 2023
The figures and financial information for the year ended 31 August 2023 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 2022
The figures and financial information for the year ended 31 August 2022 are compiled from an extract of the published accounts and do not constitute the statutory accounts for that year.

13. Annual Report 2023
The annual report and financial statements will be posted to shareholders in December 2023 and copies will be available on the Company's website at: ***www.hendersonfareastincome.com.***

14. Annual General Meeting
The 17th Annual General Meeting will be held at the offices of Janus Henderson Investors at 201 Bishopsgate, London EC2M 3AE at 12.00 pm on 24 January 2024. The Notice of the Meeting will be sent to shareholders with the Annual Report 2023.

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

SEDOL/ISIN: B1GXH75/JE00B1GXH751
London Stock Exchange (TIDM) code: HFEL
New Zealand Stock Exchange code: HFL
Global Intermediary Identification Number (GIIN): NTTIYP.99999.SL.832
Legal Entity Identifier (LEI): 2138008 DIQRE00380596

<u>Directors and Secretary</u>
The directors of the Company are Ronald Gould (Chairman), Nicholas George (Chairman of the Audit Committee), Julia Chapman, Timothy Clissold and David Mashiter. With effect from 1 December 2023, Susie Rippingall and Carole Ferguson will be appointed as directors. The Corporate Secretary is Janus Henderson Secretarial Services UK Limited. The registered office is IFC1, The Esplanade, St Helier, Jersey, JF1 4BP. The Company's principal place of business is 201 Bishopsgate, London, EC2M 3AE.

<u>Website</u>
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.