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If you have sold or otherwise transferred all of your shares in Henderson Far East Income Limited, please forward this document (but not the accompanying personalised form of proxy or letter of direction) immediately to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

HENDERSON FAR EAST INCOME LIMITED

(a company incorporated in Jersey, Channel Islands under the Companies (Jersey) Law, 1991 with registered number 95064)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Recommended proposals for the Company to become United Kingdom tax resident and classified as a United Kingdom investment trust

Notice of an extraordinary general meeting of Henderson Far East Income Limited (the “**EGM**”) to be held at 12.00 noon on Friday, 31 August 2018 at IFC1, The Esplanade, St Helier, Jersey JE1 4BP is set out at the end of this document. To be valid, the form of proxy accompanying this document must be completed and returned, in accordance with the instructions printed on it, so as to be received by the Company’s registrar, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible, but in any event not later than 12.00 noon on Wednesday, 29 August 2018.

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EXPECTED TIMETABLE

	<i>2018</i>
Latest time and date for receipt of forms of proxy for the EGM of the Company	12.00 noon on 29 August
EGM of the Company	12.00 noon on 31 August
Effective Date for the Company to become UK tax resident and join the UK's investment trust regime	1 September

PART 1

LETTER FROM THE CHAIRMAN

HENDERSON FAR EAST INCOME LIMITED

(a company incorporated in Jersey, Channel Islands under the Companies (Jersey) Law, 1991 with registered number 95064)

Directors

John Russell (*Chairman*)
Julia Chapman
Nicholas George
David Mashiter
David Staples

Registered Office

IFC1
The Esplanade
St Helier
Jersey
JE1 4BP

6 August 2018

Dear Shareholder

Recommended proposals for the Company to become United Kingdom tax resident and classified as a United Kingdom investment trust

Introduction

The Company announced on 25 June 2018 that the Board had concluded that it was in the best interests of Shareholders as a whole to proceed with the proposals for the Company to become UK tax resident and join the UK's investment trust regime (the "**Proposals**"). Given the Company's investments are primarily made in the Asia Pacific region, the Board believes that being UK tax resident will enable the Company to benefit from a number of double taxation treaties between the UK and jurisdictions where the Company invests thereby lowering withholding tax rates applicable to a significant proportion of the dividends received by the Company which will increase the revenue available for distribution.

The purpose of this document is to provide you with further details of the Proposals and to convene the EGM of the Company to seek approval for the implementation of the Proposals by way of adoption of the New Articles. The notice convening the EGM of the Company to be held at 12.00 noon on Friday, 31 August 2018 at IFC1, The Esplanade, St Helier, Jersey JE1 4BP is set out at the end of this document.

Background to the Proposals

The Company currently earns investment income from a diversified portfolio of investments with exposure to the Asia Pacific region, much of which is subject to overseas withholding taxes. The Board is seeking to mitigate the level of these withholding taxes for the benefit of the Shareholders. The Directors have been advised that a UK tax resident company is able to access lower rates of withholding tax in some jurisdictions than a Jersey resident company, due to a greater number of double tax treaty agreements between the UK and overseas jurisdictions. Whilst being a UK resident company might result in some additional taxation and expenses such as VAT, the amount involved is significantly less than the withholding tax benefits.

The Board is therefore proposing (i) to move the Company's tax residency to the UK from Jersey; and (ii) to elect to join the UK's investment trust regime, in order to avail itself of these treaties and the tax benefits related thereto. For the avoidance of doubt it is only the tax residency of the Company that will move to the UK as part of the Proposals. The Company will remain a Jersey incorporated company, subject to Jersey law and regulation and the oversight of the Jersey Financial Services Commission (the "**JFSC**"). In order to effect the Proposals, the New Articles are required to be adopted by the Company to remove the restrictions in the current articles from carrying out the business of the Company in the UK. Further details of the proposed amendments to the articles are set out in Part 2 of this document.

The adoption of the New Articles requires the approval by Shareholders at the EGM of the Company, notice of which is set out at the end of this document. It is expected that the tax residency of the Company would migrate to the UK with effect from 1 September 2018, the first day of the Company's new financial year.

Benefits of the Proposals

The Directors consider that the Proposals are in the best interests of Shareholders as the Company will be able to benefit from the double tax treaty arrangements that the UK currently has in place as such reducing the current annual withholding tax that the Company suffers (based on current portfolio income) by an estimated £700,000. The amount that the Company will actually save each year going forward will depend on the construction of the portfolio and the level of withholding taxes payable. In addition, in order to demonstrate UK tax residency the Company has been advised that all Board meetings and decisions should be made from the UK. Accordingly, all Shareholder meetings from 1 September 2018, including the annual general meeting, will be held in the UK.

Costs and expenses

It is expected that the total costs and expenses of and incidental to the Proposals will be approximately £40,000 (plus VAT).

Taxation

Subject to approval of the Proposals, the Company will conduct its business to satisfy the conditions to retain approval as a UK investment trust under section 1158 of the Corporation Tax Act 2010. The Company will apply for approval as a UK investment trust with effect from 1 September 2018 pursuant to the Investment Trust (Approved Company) (Tax) Regulations 2011 and will continue to have investment trust status in each accounting period thereafter, other than to the extent that the Company commits a serious breach of one of the conditions for qualification as an investment trust, and will be exempt from United Kingdom taxation on its capital gains.

Following the Proposals, the Company will be subject to certain laws and regulations enacted in the UK, the European Union and elsewhere. In particular, any future changes in taxation legislation or practice, whether in the UK or elsewhere, may have a material adverse effect on the ability of the Company to carry on its business and successfully pursue its investment objective and policy and on the value of the Company and the Ordinary Shares. In such event, the investment returns of the Company may be materially adversely affected.

Further details on the taxation impact of the migration of the tax residency of the Company to the UK are set out in Part 3 of this document.

Extraordinary General Meeting

The notice convening the EGM of the Company to be held at 12.00 noon on Friday, 31 August 2018 at IFC1, The Esplanade, St Helier, Jersey JE1 4BP is set out at the end of this document. The resolution, which will be proposed as a special resolution, is concerned with approving the Proposals by way of adoption of the New Articles.

Action to be taken

Shareholders will find enclosed a form of proxy for use in connection with the EGM. Whether or not shareholders propose to attend the EGM, they are requested to complete, sign and return the form of proxy as soon as possible, in accordance with the instructions printed on it.

To be valid, the enclosed form of proxy must be lodged with the Company's registrar, Computershare Investor Services (Jersey) Limited, c/o The Pavilions, Bridgwater Road, Bristol BS99 6ZY, as soon as possible, but in any event not later than 12.00 noon on Wednesday, 29 August 2018. The completion and return of the form of proxy will not prevent a shareholder from attending and voting in person at the EGM.

Directors' intentions and recommendation

The Board considers the Proposals and the resolution to be proposed at the EGM to implement the Proposals to be in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends unanimously that Shareholders vote in favour of the resolution, as the Directors intend to do in respect of their own beneficial holdings which total 97,672 Ordinary Shares (representing 0.08 per cent of the total voting rights in the Company exercisable at the EGM).

Yours faithfully

John Russell
Chairman

PART 2

FURTHER INFORMATION ON THE NEW ARTICLES

As explained in the letter from the Chairman, it is proposed that the New Articles be adopted in order to enable the Company to become UK tax resident and subject to the UK investment trust regime. The Company is also taking the opportunity to update certain administrative provisions of the Articles to reflect current law and practice.

The key changes between the existing articles and the New Articles are as follows:

- **Board composition:** The requirement for a majority of the Directors at all times to be neither resident nor ordinarily resident in the United Kingdom and the purported appointment of any person whose appointment would mean that this condition was breached has been removed. The New Articles do not state a residency requirement for a majority of the Directors. Similarly, the requirement for any alternate directors not to be resident or ordinarily resident in the United Kingdom has been removed.
- **Board meetings and participation:** The requirement that no meeting of the Directors shall be held in the United Kingdom and that any decision reached or resolution passed in the United Kingdom shall be invalid and have no effect has been removed. The provision prohibiting a Director from participating in meetings from the United Kingdom by way of telephone or video link have also been removed. It is expected that, if the Proposals are approved, all meetings of the Board will be held in the United Kingdom.
- **Board committees:** The restriction that no committee of the Board shall meet in the United Kingdom and that any committee of the Board must consist of a majority of Directors who are not resident or ordinarily resident in the United Kingdom has been removed.
- **Attorneys:** The restriction that any attorney appointed by the Company must not be resident or ordinarily resident in the United Kingdom has been removed.
- **Appointment of company secretary:** The restriction that no person or corporation which is resident in the United Kingdom may be appointed or hold office as secretary of the Company has been removed. Nevertheless, BNP Paribas Securities Services S.C.A. who currently act as corporate secretary to the Company will continue to act following implementation of the Proposals.
- **Notices:** The requirement that any notices served by the Company will be served from outside the United Kingdom has been removed.
- **Directors fees:** Following the amendment of the rules relating to directors' remuneration reporting requirements in 2013 the Company is required to have a forward looking policy on directors' remuneration which is included in the annual report and subject to shareholder approval at least once every three years or where any amendments are proposed to the policy. On this basis the cap on aggregate directors' fees has been removed from the New Articles in favour of embedding the restrictions in the remuneration policy going forward.

PART 3

TAXATION

The information contained in this document relating to taxation is a summary of the taxation matters which the Directors consider should be brought to the attention of Shareholders. The following statements are intended as a general guide only and do not constitute legal or tax advice to any Shareholder or prospective Shareholder. They are based upon the law and practice currently in force, and relate only to the position of Shareholders who are beneficial owners of their Ordinary Shares. They may not relate to certain categories of Shareholders, such as dealers in securities. Shareholders should consult their own professional advisers on the potential tax consequences of acquiring, holding or selling Ordinary Shares in the Company.

1. The Company

Subject to approval of the Proposals, it is the intention of the Directors to conduct the affairs of the Company so as to satisfy the conditions for approval as an investment trust under section 1158 of the Corporation Tax Act 2010. The Company will seek approval as an investment trust pursuant to the Investment Trust (Approved Company) (Tax) Regulations 2011 with effect from its accounting period beginning 1 September 2018. Following this approval the Company will continue to have investment trust status in each accounting period thereafter, other than to the extent that the Company commits a serious breach of one of the conditions for qualification as an investment trust, and will be exempt from United Kingdom taxation on its capital gains.

In order to maintain its investment trust status for an accounting period, the Company must not, *inter alia*, be a close company at any time in that accounting period. The Directors do not anticipate that the Company will be a close company. The Company will, however, be liable to UK corporation tax on its income profits in the normal way, with dividend income generally being exempt from UK corporation tax. Income arising from overseas investments may be subject to withholding taxes under the appropriate domestic legislation in the country in which the investment is situated. Depending on the specific investment, double taxation relief may be available against the Company's UK corporation tax liability in relation to withholding taxes suffered on overseas income.

Breach of the tests that a company must meet to retain approval as an investment trust could lead to the Company being subject to tax on capital gains which could have a material adverse effect on the financial condition of the Company.

2. Shareholders

2.1. Taxation of capital gains

Individual Shareholders who are resident in the UK for tax purposes will generally be subject to capital gains tax in respect of any gain arising on a disposal of their Ordinary Shares in the Company. Each such individual has an annual exemption, such that capital gains tax is chargeable only on gains arising from all sources during the tax year in excess of this figure. The annual exemption is £11,700 for the tax year 2018-2019. The capital gains tax charge will be at the current rate of 10 per cent, (for basic rate tax payers) and 20 per cent, (for higher and additional rate tax payers) during the tax year 2018-2019.

Shareholders who are individuals and who are temporarily non-resident in the UK may, under anti-avoidance legislation, still be liable to UK tax on any capital gain realised (subject to any available exemption or relief).

Corporate Shareholders who are resident in the UK for tax purposes will generally be subject to corporation tax on chargeable gains arising on a disposal of their Ordinary Shares. Corporate Shareholders who are UK tax resident will only be able to benefit from an indexation allowance up until 31 December 2017. The indexation allowance may reduce the amount of chargeable gain that is subject to corporation tax but may not create or increase any allowable loss.

Capital losses realised on a disposal of Ordinary Shares must be set off as far as possible against chargeable gains for the same tax year (or accounting period in the case of a corporate

Shareholder), even if this reduces an individual Shareholder's total gain below the annual exemption. Any balance of losses is carried forward without time limit and set off against net chargeable gains (that is, after deducting the annual exemption) in the earliest later tax year. Losses cannot generally be carried back, with the exception of losses accruing to an individual Shareholder in the year of his death.

2.2. **Taxation of dividends**

2.2.1. *Individual Shareholders*

The following statements summarise the expected UK tax treatment for individual Shareholders who receive dividends from the Company. Dividends paid by the Company following the tax residency being moved from Jersey to the UK will be treated as dividends paid by a UK resident company.

Each individual who is resident in the UK for tax purposes is entitled to £2,000 (fiscal year 2018-2019) annual tax free dividend allowance. Dividends received in excess of this threshold will be taxed, for the fiscal year 2018/2019 at 7.5 per cent, (basic rate taxpayers), 32.5 per cent, (higher rate taxpayers) and 38.1 per cent, (additional rate taxpayers). The taxation of dividends received by SIPPs and ISAs will be unaffected.

2.2.2. *Other Shareholders*

UK resident corporate Shareholders may be subject to corporation tax on dividends paid by the Company unless the dividends fall within one of the exempt classes on Part 9A of CTA 2009.

It is particularly important that Shareholders who are not resident in the UK for tax purposes obtain their own tax advice concerning tax liabilities on dividends received from the Company.

2.3. **UK stamp duty and UK stamp duty reserve tax ("SDRT")**

The following comments are intended as a guide to the current general stamp duty and SDRT position and do not relate to persons such as market makers, brokers, dealers, intermediaries and persons connected with depository arrangements or clearance services, to whom special rules apply. No UK stamp duty or SDRT will be payable on the issue of new Ordinary Shares. No UK stamp duty will be payable on a transfer of Ordinary Shares, provided that all instruments effecting or evidencing the transfer are not executed in the UK, no matters, actions or other things relating to the transfer are, or are to be, performed in the UK, and no property situated in the UK relates to the transfer. Provided that the Ordinary Shares are not registered in any register kept in the UK by or on behalf of the Company and that the Ordinary Shares are not paired with shares issued by a company (or any other body corporate) incorporated in the UK, any agreement to the transfer Ordinary Shares should not be subject to UK SDRT.

2.4. **UK inheritance tax**

For UK inheritance tax purposes the situs of a registered security is generally regarded as where the register of shareholdings is kept. On the basis that the Company's register of shareholdings will continue to be held in Jersey the shares in the Company should be regarded as non-UK situs assets for UK inheritance tax purposes.

If you are in any doubt as to your tax position you should consult your professional adviser.

DEFINITIONS

In this document, the words and expressions listed below have the meanings set out opposite them and the singular shall be taken to include the plural (except where the context otherwise requires):

Company	Henderson Far East Income Limited, a company incorporated in Jersey with registered number 95064
Directors or Board	the directors of the Company
EGM or Extraordinary General Meeting	the extraordinary general meeting of the Company convened for 12.00 noon on 31 August 2018
FCA	the Financial Conduct Authority
ISA	an individual savings account for the purposes of section 694 of the Income Tax (Trading and Other Income) Act 2005
JFSC	the Jersey Financial Services Commission
New Articles	the articles proposed to be adopted pursuant to the Resolution to implement the Proposals
Ordinary Shares or Shares	the ordinary shares of no par value in the capital of the Company
Proposals	the proposals for the Company to become UK tax resident and join the UK's investment trust regime described in this document
Regulatory Information Service	a regulatory information service that is on the list of regulatory information services maintained by the FCA
Shareholder(s)	holder(s) of Shares in the Company
SIPP	a self invested personal pension
UK	the United Kingdom

NOTICE OF EXTRAORDINARY GENERAL MEETING

HENDERSON FAR EAST INCOME LIMITED

(a company incorporated in Jersey, Channel Islands under the Companies (Jersey) Law, 1991 with registered number 95064)

EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Henderson Far East Income Limited (the “**Company**”) will be held on Friday 31 August 2018 at 12.00 noon at IFC1, The Esplanade, St Helier, Jersey JE1 4BP to consider and, if thought fit, pass the following resolution:

SPECIAL RESOLUTION

THAT the articles of association of the Company produced to the EGM and initialled by the Chairman for the purposes of identification containing amendments required for the purposes of the Company becoming tax resident in the United Kingdom and joining the United Kingdom’s investment trust regime shall be approved and adopted in substitution for and to the exclusion of all existing articles of association of the Company with effect from 00.01 a.m. on 1 September 2018.

By order of the Board

BNP Paribas Securities Services S.C.A.
Jersey Branch
Corporate Secretary

Registered Office

IFC1
The Esplanade
St Helier
Jersey
JE1 4BP

6 August 2018

Notes:

1. As a member you are entitled to appoint a proxy or proxies to exercise all or any of your rights to attend, speak and vote at the EGM. A proxy need not be a member of the Company but must attend the EGM to represent you. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You can only appoint a proxy using the procedure set out in these notes and the notes to the form of proxy. You may not use any electronic address provided either in this notice or any related documents (including the circular, form of proxy and/or letter of direction) to communicate with the Company for any purpose other than those expressly stated.
2. To be valid any proxy form or other instrument appointing a proxy, together with any power of attorney or other authority under which it is signed or a certified copy thereof, must be received by post or (during normal business hours only) by hand at the Company’s registrar, Computershare Investor Services (Jersey) Limited, c/o Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY no later than 48 hours before the time of the meeting or any adjourned meeting.
3. The return of a completed form of proxy or other instrument of proxy will not prevent you attending the EGM and voting in person if you wish.
4. To be entitled to attend and vote at the EGM (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the register of members of the Company no later than 6.00 p.m. on Wednesday, 29 August 2018 or, in the event that the meeting is adjourned, 6.00 p.m. on the day two days prior to any adjourned meeting. Changes to the register of members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting.
5. Information regarding the EGM is available from www.hendersonfareastincome.com.

6. As at 3 August 2018 (being the last business day prior to the publication of this notice) the Company's issued share capital consisted of 122,753,564 Ordinary Shares. On a show of hands shareholders shall have one vote. Save as otherwise provided in the Articles of Association, on a show of hands each holder of shares present in person and entitled to vote shall have one vote and upon a poll each such holder who is present in person or by proxy and entitled to vote shall have one vote in respect of every share held by him. Therefore, the total voting rights in the Company as at 3 August 2018 was 122,753,564 Ordinary Shares.
7. Any person holding three per cent or more of the total voting rights of the Company who appoints a person other than the Chairman of the meeting as his proxy will need to ensure that both he and his proxy comply with their respective disclosure obligations under the Company's articles and the UK Disclosure Guidance and Transparency Rules.
8. In order to be passed as a special resolution, at least two thirds of the shareholders who (being entitled to do so) vote in person, or by proxy, at the EGM require to vote in favour of it.
9. A copy of the current articles of association of the Company and the proposed new articles of association of the Company will be available for inspection during normal business hours (Saturdays, Sundays and public holidays excepted) at the offices of Janus Henderson Investors, 201 Bishopsgate, London EC2M 3AE from the date of the circular in which this notice is included up until the close of the EGM. Copies will also be available at IFC1, The Esplanade, St Helier, Jersey JE1 4BP, being the place of the EGM, for 15 minutes prior to, and during, the meeting.