

LONDON STOCK EXCHANGE ANNOUNCEMENT

SCHRODER ORIENTAL INCOME FUND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

Schroder Oriental Income Fund Limited ("the Company") hereby submits its annual report and financial statements for the year ended 31 August 2025 as required by the Financial Conduct Authority's Disclosure Guidance and Transparency Rule 4.1.

The Company's Annual Report and Financial Statements for the year ended 31 August 2025 is being published in hard copy format and an electronic copy will shortly be available to view and download from the Company's website:

www.schroders.com/orientalincome

Key highlights

- The Company has achieved another year of double-digit share price and NAV returns.
- While performance was behind the Reference Index, this reflects the Company's disciplined income approach and selective positioning, particularly in China, where market leadership was concentrated in low-yielding growth stocks.
- The Company's NAV has outperformed its benchmark over three, five, ten years and since inception. Absolute returns were approximately 10% per annum.
- The Company is on track to achieve AIC dividend hero status on the completion of twenty years of consecutive dividend growth next year.
- The Board has negotiated the removal of the performance fee, with effect from 31st August 2026.

Investor presentation

RICHARD SENNITT will be giving a presentation at an investor webinar at 9:00am on Wednesday, 19 November 2025 (which can be signed up to via the following link: <https://www.schroders.events/SOI25>).

NICK WINSOR, Chair of Schroder Oriental Income Fund Limited, commented:

"Your Company is well positioned to capture opportunities across the region through its focus on high quality businesses offering growing dividend income".

The Company has submitted a copy of its Annual Report and Financial Statements to the National Storage Mechanism and it will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>

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Chair's Statement

This is my first Annual Report as Chair, and I would like to begin by thanking Paul Moschetti for his significant

This is my first Annual Report as Chair, and I would like to begin by thanking Paul Meader again for his significant contribution and leadership during his tenure. This year also marks the Company's 20th anniversary - a milestone that highlights our resilience, adaptability, and consistent delivery of value for shareholders. I look forward to building on this strong foundation as we enter the next phase of the Company's development. Having grown its dividend every year since launch, the Company is classed in the Association of Investment Companies (AIC's) next generation of dividend heroes and it remains the Board's aim to achieve full dividend hero status on the completion of twenty years of consecutive dividend growth next year.

PERFORMANCE

As I mentioned in the interim report, this year's financial markets have been heavily influenced by global political events, especially the recent introduction of broad trade tariffs by US President Trump. Given that the Asia Pacific region faced some of the highest tariffs, it was somewhat unexpected to see its stock markets deliver such strong results - a total return of over 20% during the year.

China stood out, with returns above 40%, despite having some of the highest tariff threats and still dealing with the overhang effects of the Covid pandemic. This goes to show that headlines about global economics and politics do not always reflect what actually drives investment markets.

The Company delivered a net asset value (NAV) total return of 14.9% for the year. Although this was a positive result, it was behind the 21.1% return from our Reference Index, the MSCI AC Pacific ex Japan Index, Net of Dividends Reinvested (measured in sterling). Once again, our returns came in the second half of the year, as markets recovered from earlier weakness and benefited from a fall in the US dollar, which tends to help Asian markets. The Company's share price total return was 17.9%, as the difference between the share price and the underlying value narrowed.

Our underperformance compared to the Reference Index was largely due to not investing in a few very large Chinese internet and e-commerce companies, which performed exceptionally well and make up a large part of the index. However, these companies pay little or no dividends, which does not fit with the Company's focus on providing rising income to shareholders. The Portfolio Manager's disciplined approach to prioritising income means the Company does not invest in these stocks, even if it impacts performance relative to the Reference Index. Not owning them has actually helped us in previous years and the long-term performance of the Company speaks for itself. Many of the companies we do own also performed well, both in terms of growth and income. You can find more detail in the Portfolio Manager's review.

REVENUE AND DIVIDEND

The Company's objective is to provide a total return for investors primarily through investments in equities and equity-related investments, of companies which are based in, or which derive a significant proportion of their revenues from, the Asia Pacific region and which offer attractive yields. This year the Company's revenue return increased to 11.59 pence per share (2024: 11.29p).

Having already paid interim dividends amounting to six pence per share, the Board has declared a fourth interim dividend of 6.20 pence per share for the year ended 31 August 2025, which is payable on 5 December 2025 to shareholders on the register on 21 November 2025. The Board recognises that the timing of dividends is important to shareholders that rely on these payments for income. Therefore, we are actively considering ways to smooth payments through the year.

Dividends play an important role in supporting investment returns during uncertain times. To pay reliable dividends, companies need to be financially healthy and able to deliver steady earnings - qualities that also help them weather tough periods. Across global markets, Asia stands out for offering attractive income opportunities, with companies generally paying good dividends while still keeping enough profits to reinvest in their businesses. Ongoing improvements in corporate governance across the region are also encouraging more companies to focus on rewarding shareholders, which bodes well for both current and future dividend growth.

COST SAVINGS - INCREASING SHAREHOLDER VALUE

Following a thorough review of the potential advantages of changing the Company's depositary and custodian service provider, the Board determined that appointing J.P. Morgan Europe Limited would be in the best interests of the Company. This transition was approved to take place after the end of the financial year, with the migration of depositary and custodian services beginning on 3 October 2025. From the same date, J.P. Morgan Administration Services (Guernsey) also assumed the role of designated administrator.

The transition to J.P. Morgan is expected to play an important role in maintaining the Company's ongoing charges figure (OCF) at a competitive level, particularly amid an environment of rising cost pressures across the industry. By partnering with a large, well-resourced administrator such as J.P. Morgan, the Company can benefit from greater efficiencies of scale, access to broader infrastructure. These advantages should help to contain or even reduce the ongoing cost base, ensuring that the Company remains attractive to existing and prospective shareholders. In turn, this commitment to cost discipline supports the Company's focus on delivering value to investors without compromising on the quality of its investment management or governance.

PERFORMANCE FEE

The Board has negotiated a simplified investment management fee structure with Schroders, including removal of the performance fee, which should provide significant cost savings for shareholders, based on historical performance, and greater transparency for investors. Details of the new arrangements, which will come into effect on 31 August 2026, can be found in the Annual Report, together with a breakdown of the fees payable for the period covered by the Annual Report and Accounts. Despite the reduction in fees, shareholders will continue to benefit from Schroder's proven investment capability, underpinned by extensive resource in key Asian markets.

GEARING

During the year, the Company amended and renewed its one-year multicurrency revolving credit facility with The Bank of Nova Scotia, London Branch, on a secured basis. The facility was reduced from £100 million to £75 million. On 31 August 2025, the Company's net gearing position was 3.9% taking into account cash balances, compared to 4.4% at 31 August 2024.

DISCOUNT MANAGEMENT

The Company continued to be active in buying back its shares during the year. A total of 12,641,616 shares were bought back into treasury. This represented 5.2% of issued share capital and delivered a modest uplift to NAV. Since the year end, a

further 1,768,750 shares have been bought back into treasury.

The discount at the end of August 2025 was 5.0% compared to 7.1% at the previous financial year end. The average discount during the year under review was 5.6%. Your Board remains focused on managing discounts and helping to provide liquidity in the Company's shares. As such, we believe that adopting a rigid discount control mechanism that seeks to target a defined maximum discount level regardless of market conditions is not in the best interests of shareholders. Our policy on share buybacks takes account of the level of discount at which the Company's peer group trades, prevailing market conditions and activity within our sector. At the Company's last AGM, authority was given to purchase up to 14.99% of the issued share capital. We propose that the share buyback authority be renewed at the forthcoming AGM and that any shares so purchased be cancelled or held in treasury for potential reissue.

BOARD SUCCESSION

Board succession has been considered carefully during the year to ensure that we effectively plan for Board changes in the coming years. Paul Meader retired at the conclusion of the Annual General Meeting last year and Alexa Coates will reach the end of her nine-year tenure in February 2027. Consequently, in accordance with the Board's succession planning the Board, through its Nomination and Remuneration Committee, is undertaking a search process to identify a new non-executive director using a third-party recruitment firm.

BIENNIAL DUE DILIGENCE TRIP TO ASIA

During the year, the Board made its biennial trip to the Asia Pacific region, visiting Singapore, Malaysia and Indonesia to meet the Investment Manager's team and visit several portfolio holdings. These meetings helped deepen our understanding of regional markets and gave us direct insight into local economic and policy developments. The Board was also able to review ESG practices on site, observing environmental initiatives, workforce conditions and governance frameworks, and discuss key matters directly with senior management.

ANNUAL GENERAL MEETING ("AGM")

The AGM will be held at 12.30pm on Wednesday, 3 December 2025 at the offices of Schroders at 1 London Wall Place, London EC2Y 5AU. A presentation from Portfolio Manager, Richard Sennitt, will be given at the AGM, and attendees will also be able to ask questions in person and meet the directors. Details of the formal business of the meeting are set out in the Notice of Meeting. All shareholders who are unable to attend in person are recommended to vote by proxy in advance of the AGM and to appoint the Chair of the meeting. If shareholders have any questions for the Board, please write, or email using the details below. The questions and answers will be published on the Company's web pages before the AGM. To email, please use: amcompanysecretary@schroders.com or write to us at the Company's registered office address: Company Secretary, Schroder Oriental Income Fund Limited, 1 London Wall Place, London, EC2Y 5AU.

RESULTS WEBINAR

Shareholders are invited to join Richard for a webinar reporting on the year ended 31 August 2025 and to discuss the outlook for the Company's portfolio. The presentation will be followed by a live Q&A session.

The webinar will take place at 09.00am on Wednesday, 19 November 2025. Registration is available at <https://www.schroders.events/SOI25>

OUTLOOK

After two years of strong double-digit returns for shareholders, it is understandable to approach the future with some caution. As Richard mentions in his report, markets have remained steady so far, choosing not to panic in response to higher US tariffs. However, we may start to feel the true impact of these new trade barriers later in the year, once the short-term boost from increased exports has faded.

It is worth noting that the US no longer has the same influence on global trade as it once did, and there are real opportunities for trade growth within Asia and with places like Europe and other emerging markets. The region continues to lead in innovation and plays a vital role in global supply chains, especially in technology. While we expect some challenges in the months ahead, we remain confident that Asia Pacific will continue to find ways to adapt and succeed over the long-term. Your Company is well positioned to capture opportunities across the region through its focus on high quality businesses offering growing dividend income.

NICK WINSOR

Chair

6 November 2025

Investment Manager's Review

"We remain confident in our diversified portfolio of Asian companies' potential to deliver attractive returns and growing dividends to shareholders over the long term"

INTRODUCTION

I'm pleased to report another year of double-digit share price and NAV total returns for the Company. In a year shaped by geopolitical developments - most notably the wave of tariffs introduced by President Trump - Asian equity markets have continued to deliver robust returns. While performance was behind the Reference Index, this reflects our disciplined income approach and selective positioning, particularly in China, where market leadership was concentrated in low-yielding growth stocks. Importantly, our strategy continues to deliver strong long-term results, with NAV returns ahead of the benchmark over three, five and ten years and since inception.

The net asset value per share of the Company recorded a total return of +14.9% over the period, compared with a total return of +21.1% for the MSCI AC Pacific ex-Japan index, the Reference Index. This relative underperformance was in large part due to our underweight positioning in China. It should also be said that it was a difficult relative period for many income-orientated investors, as growth outperformed value and the lowest yielding 25% of companies in the Reference Index saw a total return of more than 30% versus the 21.1% increase in the index as a whole. Our income discipline therefore meant that we had little exposure to those outperforming, low-yielding names, a number of which were to be found in China.

Although the 1 year performance has lagged the Reference Index it should be noted that the Company's NAV has outperformed its Reference Index by a significant margin over both 3 and 5 years to end of August whilst delivering c.10%

p.a. total returns.

PERFORMANCE SINCE INCEPTION¹ TO 31 AUGUST 2025

Source: Morningstar, Schroders, Refinitiv Datastream. NAV Total Return (since inception Total Return NAV), net income reinvested, net of ongoing charges and portfolio costs and where applicable, performance fees, GBP 128 July 2005. Any reference to regions/countries/sectors/stocks/securities is for illustrative purposes only and not a recommendation to buy or sell.

This report drills down further into the drivers of both absolute and relative performance, as well as factors influencing the current investment landscape and the potential implications for investors.

PERFORMANCE OF THE MSCI AC PACIFIC EX JAPAN NET DIVIDENDS REINVESTED INDEX IN GBP AND USD - 31 AUGUST 2024 TO 31 AUGUST 2025

Source: Thompson Datastream as at 31 August 2025.

Past performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. The return may increase or decrease as a result of currency fluctuations.

In our view, there are four key factors underlying the outperformance of Asian stock markets versus global indices in the 12 months to end-August 2025. Firstly, given that many Asian countries are major exporters to the US, Asian markets had already lagged on President Trump's election and while his initial "liberation day" tariff announcements caused a sharp sell-off in equity markets globally - including the US itself - this proved short-lived, as row-backs and some deals suggested that final tariff levels would not be as severe as first thought. This greater certainty arguably benefited the region more than others. Secondly, US dollar weakness is usually positive for Asian equities from a liquidity standpoint, which has acted as an additional tailwind for markets during 2025. Thirdly, there is growing comfort that China's economy is stabilising, or at the very least is no longer getting worse. As the region's major power, even patchy and underwhelming stimulus measures can play an important role in supporting sentiment, which had been particularly fragile at the start of the review period. Finally, the artificial intelligence (AI) juggernaut righted itself after a brief wobble early in 2025, caused by the release of the Chinese-developed DeepSeek chatbot. While initial concerns centred around the possibility that lower-cost large-language models (LLMs) would mean less need for advanced new hardware, the US hyperscalers (e.g. Google or Microsoft) have since reaffirmed their capital spending plans, which is positive for the many Asian companies that play a vital role in the AI supply chain.

The more positive view around China meant it was the best performing market in the region over the year in review. However, market leadership was narrow, with the bulk of the return coming from a handful of large internet platform or information technology companies, including Tencent, Alibaba and Xiaomi, which are not just among the biggest stocks in China, but also occupy top 10 positions in regional Asian indices. With the biggest Asian companies making up ever more of the index, and with these stocks also among the best performers, it was a more difficult backdrop for any active fund manager to achieve outperformance. In our case, the Company's investment strategy means there needs to be an income rationale for any stock to be included in the portfolio, and we are therefore unlikely to own these low-yielding Chinese giants unless they radically change their distribution policies.

NARROW MARKETS

Market has become more concentrated¹

Percentage of stocks outperforming the index²

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Source: ¹Factset, MSCI, Schroders. 31 August 2025. ²Factset, MSCI, Schroders. 31 August 2025. Based on MSCI AC Asia Pacific ex Japan. Countries and regions shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

The other major markets to outperform the Reference Index during the year were Hong Kong and Singapore. Hong Kong did well as interest rate expectations came down, thus easing liquidity, as well as benefiting from better sentiment towards China and the consequent recovery in the Chinese stock market, which led to a number of mainland companies seeking H share listings on the Hong Kong exchange. Strong GDP growth in Singapore and its increasing importance as a regional hub - particularly in financial services - has led to increased investor confidence, backed up by regulatory initiatives to enhance the equity market. As a result, the aggregate price/earnings valuation of the Singapore market is now somewhat above historical averages, although not to the extent seen in Australia or India. Taiwan, Korea and Australia all performed positively, but lagged the index return.

Underperforming markets were concentrated in the Association of Southeast Asian Nations (ASEAN) group (excluding Singapore), with Indonesia the worst performer as investors focused on the potential negative ramifications of the new government's fiscal strategy, leading to a large exodus of foreign money from the stock market. Vietnam, Thailand, Malaysia and the Philippines also lagged, albeit to a lesser extent. In the longer term, the ASEAN nations should be beneficiaries of the diversification of Asian manufacturing away from a reliance on China, but US trade policy has cast a cloud over the markets recently, given high headline tariff rates and a delay in negotiating deals.

Initiatives to boost shareholder value and reform capital markets continue to be a theme across the region - as mentioned above, in Singapore, as well as in China and Korea. While Korea performed well in the second half of the review period - in part because of the "value up" programme, which has the potential over the longer term to result in a much greater corporate focus on dividends - the early part of the year was overshadowed by the imposition of martial law, leading to the impeachment of the president. The fact that investors have swiftly been able to refocus on the fundamentals for the market gives us confidence that the stabilisation we have seen in recent months can endure.

In sector terms, the best returns in the Reference Index came from communication services (a group that includes many internet companies), industrials, consumer discretionary, financials and IT stocks. Laggards included healthcare, materials and energy companies, with the latter two affected by low oil prices and the stalling property market in China, which has reduced demand for commodities such as steel.

MARKET RETURNS

MARKET RETURNS

Country returns in GBP

Sector returns in GBP

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Source: Schroders, FactSet, in GBP, as at 31 August 2025. Based on MSCI AC Pacific ex Japan. Countries and sectors shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

POSITIONING AND PERFORMANCE

While absolute returns for the year were strong (a NAV total return of +14.9%, building on last year's +18.2% return), our underweight positioning in China was the main factor behind the Company's underperformance relative to the reference index, which returned +21.1%. It was also a period that saw growth, as a style, outperform value which typically is a headwind for income given income is a value factor.

While China is by far the region's biggest market, there are two important reasons why our portfolio exposure tends to be well below the index weight. The first is the preponderance of state-owned enterprises (SOEs), particularly banks, where alignment with the interests of minority (and especially overseas) shareholders is questionable, given their propensity to be used as policy tools by the government. That said, the ramifications of state action are not confined to the SOE sector. In recent years, the Chinese government's focus on the supply side from a policy perspective has meant that even in growth areas dominated by private companies, such as renewable energy equipment and electric vehicles, oversupply and an ultra-competitive environment have led to poor returns. The second factor underlying our below-index exposure to China, as mentioned above, is the high weighting of internet platform and IT companies such as Tencent, Alibaba and Xiaomi.

Our overweight positioning and stock selection in Hong Kong had the biggest positive impact during the period, with strong returns coming from stocks including Bank of China (Hong Kong), stock exchange operator Hong Kong Exchange, and off-Reference Index positions in real estate companies Swire Properties and Hang Lung Group.

Being overweight in Singapore also contributed to returns, with positive performance coming from Singapore Telecom, financial services provider DBS Group, and Singapore Exchange (SGX), another stock exchange business. However, stock selection pared back the overall outperformance, particularly not owning the internet firm Sea Ltd, which does not currently pay a dividend.

Australia, Taiwan and Korea are the largest markets in the Reference Index after China. Our exposure to each of these was broadly neutral across the period, with stock selection proving positive in Australia but lagging in Taiwan and Korea. In Australia, banks experienced a material valuation upgrade despite little change in the economic outlook. This leads us to regard the sector more cautiously, particularly given the current high aggregate valuation of the Australian stock market.

In both Taiwan and Korea, our positioning in technology-related companies was a headwind despite our largest holding Taiwan Semiconductor Manufacturing Co (TSMC) performing strongly during the period, rising by some 27%. TSMC is a vital link in the AI supply chain, with a dominant market position in the manufacturing of the most cutting-edge chips. Detractors included Samsung Electronics in Korea, along with chipmaker United Microelectronics and power supply specialist Delta Electronics in Taiwan.

The ASEAN markets (excluding Singapore) were a mixed bag during the review period. Our one holding in Thailand - Kasikornbank - did well, while an underweight position in Malaysia proved beneficial, as did stock selection in the Philippines. Vietnam - an off-Reference Index allocation - and Indonesia, an overweight position, both weighed on returns. Indonesian banks performed particularly poorly given the increased uncertainty around the new government's policies, resulting in a drag from our positions in PT Bank Negara Indonesia and Bank Mandiri.

In sector terms, our largest allocation was to financials, where we have broad exposure that includes stock exchanges and insurance companies, alongside the more traditional banks.

This sector was the largest contributor to relative performance, with both stock selection and our overweight positioning proving positive.

Positive contributions also came from stock selection in real estate (the second largest overweight position relative to the index), and being underweight healthcare and materials. Our lack of exposure to Chinese internet platforms and e-commerce companies contributed to underperformance in the communication services and consumer discretionary sectors, while positioning in consumer staples proved a slight drag. As mentioned above stock selection in IT was a headwind.

Across the year, our largest increases in country exposure were in China, Hong Kong and India, while the largest reductions were in Korea, Indonesia and Singapore. While some of these moves (particularly in China, Korea and Indonesia) reflected market movements, we also made several changes to the portfolio during the period.

REGIONAL BREAKDOWN OF PORTFOLIO EX GEARING*

* Gearing (net cash less loans outstanding) currently at 3.9%

Source: Schroders as at 31 August 2025.

We added a number of positions in China, including EV battery maker **CATL**, sportswear specialist **Anta Sports** and premium alcoholic beverage firm **Kweichow Moutai**. We discussed Anta Sports and Kweichow Moutai in the half-year report, but in brief, both are beneficiaries of the trend towards home-grown rather than international brands, and both are quality businesses whose shares we were able to buy at relatively attractive valuations, given lingering concerns over China's economic recovery and its consumers' willingness to spend. CATL is a global leader in rechargeable lithium ion batteries for electric vehicles and energy storage systems. Its competitive advantage lies in its scale and advanced battery technology, and it has the potential to grow its earnings at 20% p.a. over the next five years, whilst also paying an attractive dividend.

During the year we also initiated an allocation to India, a country where we previously had no exposure and which is not included in the Reference Index. This included **Power Grid Corporation of India**, which as the name suggests is a utility company, and stands to benefit from the growth in transmission capacity of the Indian electricity network, with renewable

solar and wind projects needing to be linked into the wider grid. While the Indian equity market remains highly valued, we were able to buy into the position following a market sell-off earlier in the year.

Other notable new holdings include Taiwanese IT company **Largan Precision**, which makes precision optical plastic lenses for smartphones, tablets, laptops and more, the Malaysian bank **CIMB**, and the Hong Kong-listed but Macau-based casino operator **Galaxy Entertainment**.

We also added to existing positions across a range of countries and sectors, including real estate (**China Resources Land** and two Singapore REITs under the **CapitaLand** umbrella), pan-Asian insurer **AIA**, Taiwanese tech companies **Hon Hai Precision Industry** and **ASE Technology** as well as Korean carmaker **Kia Corporation** and Chinese clothing manufacturer **Shenzhou International**.

Although financials remain our largest sector weighting, we reduced our exposure and exited several positions during the year. These included two stock exchange operators, **Singapore Exchange** (sold following outperformance) and the Australian **ASX**, where we felt the investment thesis had weakened. Other exits included a trio of banks - **PT Bank Negara Indonesia**, the Australian bank **Westpac** and Korean financial **KB Financial Group**. Other reductions in financials included **SMFG** in Japan and **UOB** in Singapore.

We also reduced our exposure to the IT sector, selling out of the relatively low-yielding **Delta Electronics** in Taiwan, and Singapore's **Venture Corporation**, as well as trimming foundry TSMC and fabless design house **Mediatek** following outperformance. As noted in the interim report, we also reduced the size of our position in **Samsung Electronics**, partly reflecting concerns over delays around new product qualification.

Other names we exited included Korea's **SK Telecom** and **Deterra Royalties**, an Australian resources firm.

SECTOR BREAKDOWN OF PORTFOLIO EX GEARING*

* Gearing (net cash less loans outstanding) currently at 3.9%.

Source: Schroders as at 31 August 2025.

INVESTMENT OUTLOOK

While it may have been a surprise to see Asian equity markets perform so well in the face of a US trade war primarily targeted at the region's exporters, we would caution that the road ahead may not be so smooth. The anticipation of higher tariffs led to a significant uptick in exports to the US from the Pacific Rim (with the exception of China) in the early part of 2025. This "front loading" is likely to unwind in the second half of the year now that the higher tariffs are in effect, which could have a negative impact on the sales and profits of some of the region's exporting companies (see chart below).

ASIA'S EARNINGS ARE HISTORICALLY CORRELATED TO EXPORTS

NEAR TERM FRONTLOADING OF EXPORTS TO BEAT TARIFFS

Source: Left chart: Refinitiv, Factset, as at August 2025 Right chart: Refinitiv, April 2025. Countries and regions shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

However, while the US tariffs have grabbed the headlines - particularly in regard to companies that export to the US - the increase in intra-Asian trade as well as trade with non-Asian emerging countries in recent years could provide a counterweight to the negative impact of US protectionism, albeit part of this growth has come from the reorientation of supply chains. Since China's accession to the World Trade Organisation in 2001, the map of world trade has been transformed, and most nations of the world now do far more business with China than with the US, which both decreases the impact of US tariffs on many exporting countries, and makes it more difficult for the Trump administration to do deals at China's expense.

TRUMP 2.0 - US NO LONGER THE LARGEST TRADING PARTNER FOR MOST OF THE WORLD MAKING IT HARDER TO DO DEALS AT CHINA'S EXPENSE

Global trade dominance: US vs China

Source: Visual Capitalist, US Census, Customs of China, Morgan Stanley April 2025.

The regions and countries shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

A further impact of the new US administration's policies has been a weakening in the dollar, in part as a result of debt-funded fiscal stimulus swelling the government balance sheet together with concerns around US exceptionalism and declining interest rate expectations. Dollar weakness has historically been supportive for Asian equity markets, and this can be observed in the region's performance in 2025.

SOFTER US DOLLAR HISTORICALLY SUPPORTIVE BACKDROP FOR ASIAN MARKETS

Within the region, the Chinese economy remains weak, as consumer confidence is still extremely low. Although the government has announced some measures to support the economy, these remain quite small in scale and are unlikely to drive up growth significantly in the face of a still-contracting property market and declining private credit extension. The Chinese and Hong Kong markets have benefited from investor hopes that the government would soon start to address some of the structural over-supply/competition concerns across various industrial sectors. Going by the rather confusing name of "anti-involution" policy, the idea is that companies will be asked to rein in excessive price discounting and moderate their capacity expansion in industries where supply already exceeds natural demand. While in many cases this would be welcome, it's important to bear in mind two caveats.

Firstly, it is harder for the government to control the actions of the private sector than state-owned enterprises. Secondly, and perhaps more significantly, the economy in China is likely to face headwinds in the second half as exports slow down. As a result, any supply-side reforms, which inevitably cause disruption to jobs or incomes, will be harder for the economy to absorb without threatening the government's overall stated GDP growth target.

So with China's domestic and external sectors both facing challenges, we remain underweight the market, though this is offset to an extent by our overweight to Hong Kong. Our structural concerns around China's demographics and economic model, with its overreliance on manufacturing and exports, remain and are unlikely to be addressed by short-term stimulus.

IT remains an overweight sector for us, but one which we have moderated as stocks there have rallied hard on the AI theme, with froth being seen in some areas. Although earnings momentum remains strong, several Asian IT stocks look vulnerable

to a correction should there be any disruption to the narrative of growing AI datacentre capital expenditure. For now, however, there is little sign of such a slowdown from the US companies leading the investment, despite limited evidence of enterprise or consumer willingness to spend significant sums of money on AI services.

With much of the strong Asian market performance this year a result of multiple re-rating, rather than improved earnings, the resultant aggregate valuations no longer look cheap, with the market trading above long-term averages on measures such as the price/earnings (P/E) ratio. However, the region as a whole remains attractively valued compared to developed markets and, as we go forward, we would expect underlying earnings to start to be a bigger driver of share prices. This may see the market broaden out from the narrow focus it has had so far this year, potentially resulting in some of the frothier areas of the market taking a breather.

ASIAN AGGREGATE VALUATIONS RELATIVELY ATTRACTIVE IN A GLOBAL CONTEXT - LESS SO AGAINST OWN HISTORY

Asia Pacific ex Japan Historic Price / Earnings (P/E) (x)¹

Asia Pacific ex Japan versus Developed Markets relative forward 12m consensus Price / Earnings (P/E) ratio²

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Source: ¹Citi Investment Research, MSCI, Refinitiv Datastream as at 31 August 2025. ²Refinitiv Eikon Datastream, MSCI, PE data based on forecast data, to 31 August 2025. Based on MSCI AC Asia Pacific ex Japan, and MSCI AC Asia Pacific ex Japan versus MSCI World in US. The regions and countries shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Turning to dividends, as the US dollar has weakened, the pound has become stronger, which is a headwind for the Company's dividend income given our accounting currency is sterling. However, the dividend yields of many Asian markets remain attractive in a global context, and as a region the average payout and gearing ratios remain low versus other markets, which should hopefully translate into dividends being relatively resilient. The Company's income discipline is a critical part of the investment proposition, delivering both an attractive yield and an important source of diversification for investors who may already be highly exposed to the domestic UK market. Focusing on companies that are able to reward their shareholders with dividends means prioritising balance sheet sustainability and good governance, both features that should stand investors in good stead over time.

ASIAN YIELD IN CONTEXT

Yield by region¹

MSCI AC Pacific ex Japan versus MSCI World relative dividend yield²

Past Performance is not a guide to future performance and may not be repeated. The value of investments and the income from them may go down as well as up and investors may not get back the amounts originally invested. The return may increase or decrease as a result of currency fluctuations.

Source: ¹Factset, MSCI as at 31 August 2025. Pacific ex Japan is based on MSCI AC Pacific ex Japan. ²Factset, MSCI as at 31 August 2025. The regions and countries shown are for illustrative purposes only and should not be viewed as a recommendation to buy or sell.

Looking ahead, while challenges do remain - from tariff-related disruption to structural imbalances in China - we remain confident in our diversified portfolio of Asian companies' potential to deliver attractive returns and growing dividends to shareholders over the long term. Whether through enabling the AI revolution, meeting the evolving needs of consumers, supporting the transition to a greener economy, or expanding financial services to an increasingly affluent population, our holdings are well positioned to benefit from the region's dynamic growth. The Company's income discipline continues to offer investors a compelling blend of yield, resilience and diversification - qualities that have now underpinned 19 consecutive years of dividend growth since launch.

Thank you for your continued trust in the Schroder Oriental Income Fund.

RICHARD SENNITT

Portfolio Manager

SCHRODER INVESTMENT MANAGEMENT LIMITED

6 November 2025

PRINCIPAL AND EMERGING RISKS AND UNCERTAINTIES

The Board, through its delegation to the Audit and Risk Committee, is responsible for the Company's system of risk management and internal control and for reviewing its effectiveness. The Board has adopted a detailed matrix of all material risks affecting the Company's business as an investment trust and has established associated policies and processes designed to manage and, where possible, mitigate those risks, which are monitored by the Audit and Risk Committee on an ongoing basis.

This system assists the Board in determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives.

RISK ASSESSMENT AND INTERNAL CONTROLS REVIEW BY THE BOARD

Risk assessment includes consideration of the scope and quality of the systems of internal control operating within key service providers, and ensures regular communication of the results of monitoring by such providers to the Audit and Risk Committee, including the incidence of significant control failings or weaknesses that have been identified at any time and the extent to which they have resulted in unforeseen outcomes or contingencies that may have a material impact on the Company's performance or condition.

Although the Board believes that it has a robust framework of internal controls in place, this can provide only reasonable, and not absolute, assurance against material financial misstatement or loss and is designed to manage, not eliminate, risk.

During the year, the Board discussed and monitored a number of risks which could potentially impact the Company's ability to meet its strategic objectives. The Board receives updates from the Investment Manager, Company Secretary and other service providers on emerging risks that could affect the Company. The Board was mindful of the evolving global environment during the year and the risks posed by volatile markets and geopolitical uncertainty. However, these are not factors which explicitly impact the Company's performance although they could exacerbate existing risks. Where relevant these have been incorporated in the table below. Both the principal risks and uncertainties and the monitoring system are also subject to robust review at least annually. The last assessment took place in November 2025.

No significant control failings or weaknesses were identified from the Audit and Risk Committee's ongoing risk assessment throughout the financial year and up to the date of this report. The Board is satisfied that it has undertaken a detailed review of the risks facing the Company and that the internal control environment continues to operate effectively. A full analysis of the financial risks facing the Company is set out in note 20 to the financial statements.

The Board considers that the risks set out in the table below are the principal risks currently facing the Company to deliver its strategy together with those actions taken by the Board and, where appropriate, its committees, to manage and mitigate those risks.

The "Change" column on the right highlights at a glance the Board's assessment of any increases or decreases in risk during the year after mitigation and management. The arrows in the change column show the risks as increased or decreased or unchanged.

Risk	Mitigation and management
Strategy and competitiveness Investment strategy The Company's investment objectives may become out of line with the requirements of investors, resulting in a wide discount of the share price to underlying NAV per share.	The Board periodically reviews the appropriateness of the long-term strategy, monitoring progress towards the Company's performance relative to NAV per share is tracked as a key performance indicator compared to peers. The Board also reviews the parameters of the strategy on an ongoing basis, and considers market feedback from the shareholders at each quarterly meeting. Shareholder engagement is proactively managed through presentations, and ad hoc meetings with the investors.
Investment performance If the Company underperforms or faces other challenges, it could become less attractive to investors.	The Board continually reviews the Investment Manager's performance against the Company's net asset value (NAV) and share price, comparing the Company's performance to peer companies and monitoring any discount or premium. The Board closely monitors the discount and premium, helping to ensure the Company remains attractive to investors. The Investment Manager provides the Board with regular updates on performance data, revenue estimates, liquidity requirements and explains their portfolio decisions and risk assessments. The Board manages these carefully within a range set by the Board. The Board also reviews the overall investment strategy, approving key agreements, and the use of derivatives, gearing, and leverage, adjusting these as needed. The Board monitors performance, risk, and portfolio activity against the strategy, and reviews the continued suitability of the Manager. The Board's audit teams from the Manager also provide an annual update on the Manager's performance.
Share price performance The Company's shares continuously trade at a wider than average discount to the peer group and/or there is considerable discount volatility.	The discount or premium of the Company's share price relative to NAV per share compared to peers by both the corporate broker and the Board. The Board controls the discount through an active share buyback programme and updates from the corporate broker on these activities.
Geopolitical Geopolitical factors and sanctions can influence the Company's investment strategy, objectives, and performance, particularly given the unique risks present in the region. Investing in China, for example, involves navigating regulatory uncertainties and different business practices. Ongoing US-China tensions around tariffs, trade disputes, technology competition, and human rights concerns can give rise to issues such as intellectual property theft and cybersecurity threats. Additionally, escalating tensions between China and Taiwan may result in increased military activity and diplomatic challenges, alongside other territorial disputes within the region.	Geopolitical risk has risen this year compared to last year due to global tensions, more frequent disruptions to international trade, and policy intervention by governments. In particular, renewed regulatory scrutiny, and less predictable diplomatic relations have increased uncertainty for investors. As a result, the general environment is more challenging than in the previous year. The Manager maintains regular communication with local and international markets to assess the potential impact of these risks. The Board updates on current issues from the Manager for discussion and decision, taking into account presentations from the Manager and other sources.
Market and currency Because of the way the Company invests, it is naturally affected by market ups and downs, so a significant drop in regional stock markets could negatively impact the value of its investments. In addition, since the Company mainly invests in assets held in various currencies, movements in exchange rates - particularly between sterling and other currencies - can have a considerable effect on overall returns and the value of dividend income received from those investments.	Many of the companies in the portfolio have strong balance sheets. Gearing is kept at relatively low levels, helping to manage the portfolio's risk profile and discusses strategies to manage the impact of significant market or currency changes. While the formal policy for hedging currency risk, foreign currency may be used when appropriate to limit exposure. The Board can affect both market conditions and exchange rate volatility.
Cyber and AI The growing use of Artificial Intelligence (AI) and digital investment platforms may present challenges to the ongoing relevance of investment trusts, as well as the risk of certain roles being replaced by AI technologies. In addition, the Company's service providers face the risk of cyber attacks, which could result in the loss of personal or confidential information, unauthorised transactions, or disruptions to essential operations.	AI and cyber risks have increased this year compared to last year due to advancement and broader adoption of artificial intelligence. While AI developments offer significant opportunities, they also introduce new risks. There has also been a marked rise in both the frequency and sophistication of cyber attacks globally, including several highly publicised cases. Evolving regulatory requirements and heightened data protection requirements mean cyber risks are now more pronounced and require stronger controls. The Company works with outsourced service providers to manage and reduce cyber risk, including their plans to respond to a cyber attack. A custodian or depositary is also appointed to hold assets. Each year, the Board receives presentations from the Depositary that cover key risks, including cyber security and data protection.
Climate Change The Company's investments and the returns to shareholders could be impacted by climate change. There is growing interest from both investors and regulators in understanding how the Company's investments and performance might be affected by climate change, as well as wider environmental, social, and governance (ESG) considerations.	The Manager has fully integrated environmental, social, and governance (ESG) - including climate change - into the investment process and shareholder engagement at board meetings. A comprehensive ESG policy is included in the annual report. The Investment Manager also provides regular updates on ESG risks and opportunities.

Emerging

Inadequate procedures for identifying emerging risks could result in the Company responding reactively rather than proactively, potentially affecting its long-term sustainability and performance.

During the financial year ended 31 August 2025, the Board reviews of the Company's risk profile, with particular attention reviews incorporated guidance from the AIC, input from the market expertise, and ongoing monitoring of industry and the year under review, no new emerging risks were identified.

RISK ASSESSMENT AND INTERNAL CONTROLS REVIEW BY THE BOARD

Risk assessment includes consideration of the scope and quality of the systems of internal control operating within key service providers, and ensures regular communication of the results of monitoring by such providers to the Audit and Risk Committee, including the incidence of significant control failings or weaknesses that have been identified at any time and the extent to which they have resulted in unforeseen outcomes or contingencies that may have a material impact on the Company's performance or condition.

No significant control failings or weaknesses were identified from the Audit and Risk Committee's ongoing risk assessment which has been in place throughout the financial year and up to the date of this report. The Board is satisfied that it has undertaken a detailed review of the risks facing the Company and that the internal control environment continues to operate effectively.

A full analysis of the financial risks facing the Company is set out in note 20 to the accounts.

VIABILITY STATEMENT

The directors have assessed the viability of the Company over a five year period, taking into account the Company's position at 31 August 2025 and 6 November 2025 and the potential impact of the principal risks and uncertainties it faces for the review period. The directors have assessed the Company's operational resilience and they are satisfied that the Company's outsourced service providers will continue to operate effectively, following the implementation of their business continuity plans.

A period of five years has been chosen as the Board believes that this reflects a suitable time horizon for strategic planning, taking into account the investment policy, liquidity of investments, potential impact of economic cycles, nature of operating costs, dividends and availability of funding. This time period also reflects the average holding period of an investment.

In its assessment of the viability of the Company, the directors have considered each of the Company's principal risks and uncertainties detailed in the Annual Report and Accounts and in particular the impact of a significant fall in regional equity markets on the value of the Company's investment portfolio. The directors have also considered the Company's income and expenditure projections and the fact that the Company's investments comprise readily realisable securities which can be sold to meet funding requirements if necessary.

The directors have also considered a stress test which represents a severe but plausible scenario along with movement in foreign exchange rates. This scenario assumes a severe stock market collapse and/or exchange rate movements at the beginning of the five year period, resulting in a 50% fall in the value of the Company's investments and investment income and no subsequent recovery in either prices or income in the following five years. It is assumed that the Company continues to pay an annual dividend in line with current levels and that the borrowing facility remains available and remains drawn, subject to the gearing limit.

The Company's investments comprise highly liquid, large, listed companies and so its assets are readily realisable securities and could be sold to meet funding requirements or the repayment of the gearing facility should the need arise. There is no expectation that the nature of the investments held within the portfolio will be materially different in the future.

The operating costs of the Company are predictable and modest in comparison with the assets and there are no capital commitments foreseen which would alter that position. Furthermore, the Company has no employees and consequently has no redundancy or other employment related liabilities.

The Board reviews the performance of the Company's service providers regularly, including the Manager, along with internal controls reports to provide assurance regarding the effective operation of internal controls as reported on by their reporting accountants. The Board also considers the business continuity arrangements of the Company's key service providers.

The Board monitors the portfolio risk profile, limits imposed on gearing, counterparty exposure, liquidity risk and financial controls at its quarterly meetings.

Although there continue to be regulatory changes which could increase costs or impact revenue, the directors do not believe that this could be sufficient to affect its viability. The Board also notes that certain geopolitical risks, if they materialise, would have a serious effect on the viability of the Company, but that it was not appropriate to conclude that the Company was not viable on the basis of these.

The Board has assumed that the business model of a closed ended investment company, as well as the Company's investment objective, will continue to be attractive to investors. The directors also considered the beneficial tax treatment the Company is eligible for as an investment trust. If changes to these taxation arrangements were to be made it would affect the viability of the Company to act as an effective investment vehicle.

Based on the above the directors have concluded that there is a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the five year period of their assessment.

GOING CONCERN

The directors have assessed the principal risks, the impact of the emerging risks and uncertainties and the matters referred to in the viability statement. The directors have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the period assessed by the directors, being the period to 30 November 2026 which is at least 12 months from the date the financial statements were authorised for issue.

BY ORDER OF THE BOARD
SCHRODER INVESTMENT MANAGEMENT LIMITED
Company Secretary
6 November 2025

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ANNUAL REPORT AND FINANCIAL STATEMENTS

The directors are responsible for preparing the financial statements in accordance with applicable Guernsey law and generally accepted accounting principles.

Guernsey company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors should:

- select suitable accounting policies, and apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in International Financial Reporting Standards ("IFRS") as adopted by the European Union is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- state that the Company has complied with IFRS as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business; and
- make judgements and estimates that are reasonable and prudent.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with The Companies (Guernsey) Law, 2008 (as amended). They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DIRECTORS' STATEMENT

Each of the directors, whose names and functions are listed in the Annual Report and Accounts, confirm that to the best of their knowledge:

- the financial statements, which have been prepared in accordance with IFRS as adopted by the European Union and with The Companies (Guernsey) Law, 2008 (as amended) and in accordance with the requirements set out above, give a true and fair view of the assets, liabilities, financial position and the net return of the Company;
- the Strategic Review includes 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; and
- the Annual Report and Accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

So far as each of the directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board

Nick Winsor

Chair

6 November 2025

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2025

		Revenue £'000	2025 Capital £'000	Total £'000
Gains on investments held at fair value through profit or loss	Note 2	-	74,935	74,935
Net foreign currency gains		-	803	803
Income from investments	3	32,920	725	33,645
Other income	3	117	-	117
Total income		33,037	76,463	109,500
Management fee	4	(1,950)	(2,925)	(4,875)
Performance fee	4	-	(4,759)	(4,759)
Other administrative expenses	5	(1,277)	(8)	(1,285)
Net return before finance costs and taxation		29,810	68,771	98,581

Finance costs	6	(859)	(1,290)	(2,149)
Net return before taxation		28,951	67,481	96,432
Taxation	7	(1,936)	-	(1,936)
Net return after taxation		27,015	67,481	94,496
Return per share - basic and diluted (pence)	9	11.59	28.94	40.53

The "Total" column of this statement represents the Company's Statement of Comprehensive Income, prepared in accordance with IFRS. The "Revenue and Capital" columns represent supplementary information prepared under guidance set out in the statement of recommended practice for investment trust companies (the "SORP") issued by the Association of Investment Companies in July 2022.

The Company does not have any income or expense that is not included in net return for the year. Accordingly the "Net return" for the year is also the "Total comprehensive income" for the year.

All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the year.

The notes form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Share capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000
At 31 August 2023		234,347	(46,118)	39	150,374
Repurchase of ordinary shares into treasury		-	(29,007)	-	-
Net return after taxation		-	-	-	-
Dividends paid in the year	8	-	-	-	-
At 31 August 2024		234,347	(75,125)	39	150,374
Repurchase of ordinary shares into treasury		-	(34,693)	-	-
Net return after taxation		-	-	-	-
Dividends paid in the year	8	-	-	-	-
At 31 August 2025		234,347	(109,818)	39	150,374

The notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION AT 31 AUGUST 2025

Non-current assets

Investments at fair value through profit or loss

Current assets

Receivables
Cash and cash equivalents

Total assets

Current liabilities

Payables

Net assets

Equity attributable to shareholders

Share capital
Treasury share reserve
Capital redemption reserve
Special reserve
Capital reserves
Revenue reserve

Total equity shareholders' funds

Net asset value per share (pence)

The financial statements were approved by the Board of directors on 6 November 2025 and signed on its behalf by:

Director

The notes form an integral part of these financial statements.

Registered in England and Wales as a public company limited by shares.
Company registration number: 43298.

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2025

Operating activities

Net return before finance costs and taxation
Adjustments for:
Net foreign currency gains
Gains on investments held at fair value through profit or loss
Net sales of investments at fair value through profit or loss
Decrease in receivables
Increase in payables
Overseas taxation paid
Net cash inflow from operating activities before interest
Interest paid
Net cash inflow from operating activities
Financing activities
Repurchase of ordinary shares into treasury
Dividends paid
Net cash outflow from financing activities
Increase/(decrease) in cash and cash equivalents
Cash and cash equivalents at the start of the year
Effect of foreign exchange rates on cash and cash equivalents
Cash and cash equivalents at the end of the year

The notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements have been prepared in accordance with the Companies (Guernsey) Law 2008 and International Financial Reporting Standards ("IFRS"), which 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 and to the extent that they have been adopted by the European Union.

Where consistent with the requirements of IFRS, the directors have sought to prepare the financial statements on a basis compliant with presentational guidance set out in the statement of recommended practice for investment trust companies (the "SORP") issued by the Association of Investment Companies in July 2022.

The policies applied in these financial statements are consistent with those applied in the preceding year.

The Company's share capital is denominated in sterling and this is the currency in which its shareholders operate and expenses are generally paid. The Board has therefore determined that sterling is the functional currency and the currency in which the financial statements are presented. Amounts have been rounded to the nearest thousand.

The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of investments held at fair value through profit or loss. The directors believe that the Company has adequate resources to continue operating to 30 November 2026, which is at least 12 months from the date of approval of these financial statements. In forming this opinion, the directors have taken into consideration: the controls and monitoring processes in place; the Company's level of debt and other payables; the low level of operating expenses, comprising largely variable costs which would reduce pro rata in the event of a market downturn; and that the Company's assets comprise cash and readily realisable securities quoted in active markets. In forming this opinion, the directors have also considered any potential impact of climate change, inflation, high interest rates and the energy crisis on the viability of the Company.

Further details of directors' considerations regarding this are given in the Chair's Statement, Portfolio Managers' Review, Going Concern Statement, Viability Statement and under the Principal and Emerging Risks heading in the Annual Report and Accounts.

The material accounting policies adopted are set out below.

(b) Presentation of the Statement of Comprehensive Income

In order to better reflect the activities of an investment company and in accordance with the recommendations of the SORP, supplementary information has been presented which analyses items in the Statement of Comprehensive Income between those which are income in nature and those which are capital in nature.

(c) Investments at fair value through profit or loss

The Company's business is investing in financial assets with a view to profiting from their total return in the form of income and capital growth. This portfolio of financial assets is managed and its performance evaluated on a fair value basis, in accordance with a documented investment objective and information is provided internally on that basis to the Company's board of directors. Accordingly, investments are designated upon initial recognition as investments at fair value through profit or loss, and are measured at subsequent reporting dates at fair value, which are quoted bid market prices for investments traded in active markets.

Investments that are unlisted or not actively traded are valued using a variety of techniques to determine their fair value; all such valuations are reviewed by both the AIFMs fair value pricing committee and by the directors.

Investments are recognised and derecognised on the trade date where a purchase or sale is made under a contract whose terms require delivery within a timeframe established by the market concerned.

(d) Accounting for reserves

(d) Accounting for reserves

Gains and losses on sales of investments, including the related foreign exchange gains and losses, are included in the Statement of Comprehensive Income and in capital reserves within "Gains and losses on sales of investments". Increases and decreases in the valuation of investments held at the year end, including the related foreign exchange gains and losses, are included in the Statement of Comprehensive Income and in capital reserves within "Holding gains and losses on investments".

Foreign exchange gains and losses on cash and deposit balances are included in the Statement of Comprehensive Income and in capital reserves within "Holdings gains and losses on investments". Unrealised exchange gains and losses on foreign currency loans are included in the Statement of Comprehensive Income and dealt with in capital reserves within "Holdings gains and losses on investments".

(e) Repurchases of shares into treasury and subsequent reissues

The cost of repurchasing shares into treasury is debited to "treasury share reserve". The sales proceeds of treasury shares reissued are credited back to treasury share reserve until the debit balance on that reserve is extinguished and thereafter to capital reserves.

(f) Income

Dividends receivable from equity shares are included in revenue on an ex-dividend basis except where, in the opinion of the Board, the dividend is capital in nature, in which case it is included in capital.

Income from fixed interest debt securities is recognised using the effective interest method.

Deposit interest outstanding at the year end is calculated and accrued on a time apportionment basis using market rates of interest.

(g) Expenses

All expenses are accounted for on an accruals basis. Expenses are allocated wholly to revenue with the following exceptions:

- The management fee is allocated 40% to revenue and 60% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.
- Any performance fee is allocated 100% to capital.
- Expenses incidental to the purchase or sale of investments are charged to capital. These expenses are commonly referred to as transaction costs and mainly comprise brokerage commission. Details of transaction costs are given in note 10.

(h) Finance costs

Finance costs, including any premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in profit or loss using the effective interest method.

Finance costs are allocated 40% to revenue and 60% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.

(i) Other financial assets and liabilities

Cash and cash equivalents may comprise cash and demand deposits which are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value. Other receivables are non-interest-bearing, short-term in nature and are accordingly stated at nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Interest-bearing bank loans are initially recognised at cost, being the proceeds received net of direct issue costs, and subsequently at amortised cost.

(j) Taxation

The taxation charge in the Statement of Comprehensive Income comprises irrecoverable overseas withholding tax deducted from dividends receivable.

Current taxation comprises of the tax withheld at the source on foreign income, with adjustments for any amounts recoverable under tax treaties. The taxation is recorded in the revenue section of the Statement of Comprehensive Income, except when it pertains to capital-related items where it will be accounted for in the capital section of the statement.

Deferred taxation represents the taxation liability or asset arising from anticipated variations in the treatment of items for accounting purposes compared to tax purposes. The calculation is based on tax rates that have been officially approved or are highly likely for the period when the tax becomes payable. Deferred tax assets are recognised when there is an expectation of having future taxable profits.

(k) Foreign currency

The results and financial position are expressed in sterling. Transactions in currencies other than sterling are recorded at the rates of exchange prevailing on the dates of the transaction. At each balance sheet date, monetary items and non-monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at 1600 hours on the balance sheet date. Gains or losses arising on translation are included in net profit or loss for the year and presented as revenue or capital as appropriate.

(l) New and amended accounting standards

At the date of authorisation of these financial statements there are no new or revised Standards or Interpretations, which are in issue but which are not yet effective, which the Board expects to have any significant effect on the Company's financial statements.

(m) Significant accounting judgements, estimates and assumptions

Other than the directors' assessment of going concern, no significant judgements, estimates or assumptions have been required in the preparation of these financial statements in accordance with IFRS.

required in the preparation of these financial statements in accordance with IFRS.

(n) Dividends payable to shareholders

Interim dividends to shareholders are recorded in the financial statements when paid.

2. GAINS ON INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

Gains on sales of investments based on historic cost

Amounts recognised in investment holding gains and losses in the previous year in respect of investments sold in the year

Gains on sales of investments based on the carrying value at the previous balance sheet date

Net movement in investment holding gains

Gains on investments held at fair value through profit or loss

3. INCOME

Income from investments:

Overseas dividends

Other income:

Deposit interest

Total income

Capital:

Special dividend allocated to capital

4. MANAGEMENT AND PERFORMANCE FEES

	Revenue £'000	2025 Capital £'000	Total £'000
Management fee	1,950	2,925	4,875
Performance fee	-	4,759	4,759
	<u>1,950</u>	<u>7,684</u>	<u>9,634</u>

The basis for calculating the investment management fee and any performance fee is set out in the Directors' Report.

5. OTHER ADMINISTRATIVE EXPENSES

	Revenue £'000	2025 Capital £'000	Total £'000
Administration expenses	870	8	878
Directors' fees	192	-	192
Secretarial fee	150	-	150
Auditors' remuneration for audit services ¹	65	-	65
	<u>1,277</u>	<u>8</u>	<u>1,285</u>

¹ No amounts are payable to the auditor for non-audit services.

6. FINANCE COSTS

	Revenue £'000	2025 Capital £'000	Total £'000
Interest on bank loans and overdrafts	859	1,290	2,149

The Board has determined that the finance costs will be allocated 40% to revenue and 60% to capital in line with the Board's expected long-term split of revenue and capital return from the Company's investment portfolio.

7. TAXATION

(a) Analysis of tax charge for the year

	Revenue £'000	2025 Capital £'000	Total £'000
Irrecoverable overseas tax	1,936	-	1,936
Taxation for the year	<u>1,936</u>	<u>-</u>	<u>1,936</u>

The Company became resident in the United Kingdom for tax purposes with effect from 1 September 2020. The Company has no corporation tax liability for the year ended 31 August 2025 (2024: the same).

(b) Factors affecting tax charge for the year

The tax assessed for the year ended 31 August 2025 is lower (2024: lower) than the Company's applicable rate of corporation tax for that year of 25% (2024: 25%).

The factors affecting the tax charge for the year are as follows:

	Revenue £'000	2025 Capital £'000	Total £'000
Net return before taxation	28,951	67,481	96,432
Net return before taxation multiplied by the Company's applicable rate of corporation tax for the year of 25% (2024: 25%)	7,238	16,871	24,109
Effects of:			
(Gains) on investments not taxable (capital losses on investments not deductible)		(48,000)	(48,000)

(Gains) on investments not taxable/capital losses on investments not deductible	-	(18,933)	(18,933)
Income not chargeable to corporation tax	(7,593)	(181)	(7,774)
Expenses disallowed	-	(2)	(2)
Unrelieved expenses	384	2,245	2,629
Tax relief on overseas tax suffered	(29)	-	(29)
Irrecoverable overseas tax	1,936	-	1,936
Taxation for the year	1,936	-	1,936

(c) Deferred taxation

The Company has an unrecognised deferred tax asset of £8,833,000 (2024: £6,205,000) based on a main rate of corporation tax of 25%. In its 2020 budget, the UK government announced that the main rate of corporation tax would increase to 25% for the fiscal year beginning on 1 April 2023.

The deferred tax asset has arisen due to the excess of deductible expenses over taxable income. Given the composition of the Company's portfolio, it is not likely that this asset will be utilised in the foreseeable future and therefore no asset has been recognised in the financial statements.

The Company was granted status as an investment trust company by HMRC effective from 1 September 2020, and intends to continue to meet the conditions required to retain that status. Therefore, no provision has been made for deferred UK capital gains tax on any capital gains or losses arising on the revaluation or disposal of investments.

8. DIVIDENDS

(a) Dividends paid and declared

2024 fourth interim dividend of 6.00p (2023: 5.80p)
 First interim dividend of 2.00p (2024: 2.00p)
 Second interim dividend of 2.00p (2024: 2.00p)
 Third interim dividend of 2.00p (2024: 2.00p)

Total dividends paid in the year

Fourth interim dividend declared of 6.20p (2024: 6.00p)

Under the Companies (Guernsey) Law 2008, the Company may pay dividends out of both capital and revenue reserves, subject to passing a solvency test. However all dividends paid and declared to date have been paid, or will be paid out of revenue and revenue reserves. The Company has passed the solvency test for all dividends paid to date.

The fourth interim dividend declared in respect of the year ended 31 August 2024 differs from the amount actually paid due to shares repurchased and cancelled after the balance sheet date but prior to the share register record date.

(b) Dividends for the purposes of Section 1158 of the Corporation Tax Act 2010 ("Section 1158")

The Company was granted status as an investment trust company by HMRC effective from 1 September 2020, and intends to continue to meet the minimum distribution requirements of Section 1158, in order to retain that status. Those requirements are considered on the basis of dividends declared in respect of the financial year as shown below. The revenue available for distribution by way of dividend for the year is £27,015,000 (2024: £27,936,000).

First interim dividend of 2.00p (2024: 2.00p)
 Second interim dividend of 2.00p (2024: 2.00p)
 Third interim dividend of 2.00p (2024: 2.00p)
 Fourth interim dividend of 6.20p (2024: 6.00p)

Total dividends of 12.20p (2024: 12.00p)

9. RETURN PER SHARE

Revenue return
 Capital return

Total return

Weighted average number of ordinary shares in issue during the year
 Revenue return per share (pence)
 Capital return per share (pence)

Total return per share (pence)

10. INVESTMENTS HELD AT FAIR VALUE THROUGH PROFIT OR LOSS

Opening book cost
 Opening investment holding gains

Opening fair value

Analysis of transactions made during the year

Purchases at cost
 Sales proceeds
 Gains on investments held at fair value through profit or loss

Closing fair value

Closing book cost
Closing investment holding gains

Closing fair value

All investments are listed on a recognised stock exchange.

The Company received £183,245,000 (2024: £167,170,000) from disposal of investments in the year. The book cost of these investments when they were purchased was £152,392,000 (2024: £152,797,000). These investments have been revalued over time and until they were sold any unrealised gains/losses were included in the fair value of the investments.

The following transaction costs, mainly comprising brokerage commissions, were incurred during the year:

On acquisitions
On disposals

11. CURRENT ASSETS

Receivables
Dividends and interest receivable
Securities sold awaiting settlement
Other receivables

The directors consider that the carrying amount of receivables approximates to their fair value.

Cash and cash equivalents

Cash and cash equivalents comprises bank balances and cash held by the Company, including short-term deposits. The carrying amount of these represents their fair value. Cash balances in excess of a predetermined amount are placed on short-term deposit at market rates of interest.

12. CURRENT LIABILITIES

Payables
Bank loan
Securities purchased awaiting settlement
Repurchase of ordinary shares into treasury awaiting settlement
Other payables and accruals

The bank loan comprises US 50 million drawn down on the Company's £75 million multicurrency credit facility with the Bank of Nova Scotia. The facility is secured and drawings are subject to covenants and restrictions which are customary for a facility of this nature and all of these have been complied with.

Further details of the facility are given in note 20(a)ii

The bank loan at the prior year end comprised US 50 million drawn down on the Company's £100 million multicurrency credit facility with Bank of Nova Scotia.

13. SHARE CAPITAL

Ordinary shares of 1p each, allotted, called-up and fully paid:

Opening balance of 241,798,024 (2024: 253,193,024) shares, excluding shares held in treasury
Repurchase of 12,641,616 (2024: 11,395,000) shares into treasury
Subtotal of 229,156,408 (2024: 241,798,024) shares, excluding shares held in treasury
42,076,616 (2024: 29,435,000) shares held in treasury

Closing balance of 271,233,024 (2024: 271,233,024) shares

The ordinary shares rank pari passu, and each share carries one vote in the event of a poll at a general meeting. The Company has authority to issue an unlimited number of ordinary shares.

During the year, the Company repurchased 12,641,616 of its own shares, nominal value £126,416 to hold in treasury for a total consideration of £34,693,000 representing 5.2% of the shares outstanding at the beginning of the year. The reason for these share purchases was to seek to manage the share price discount to net asset value per share.

14. RESERVES

	Share capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000
At 1 September 2024	234,347	(75,125)	39	150,374
Gains on sales of investments based on the carrying value at the previous balance sheet date	-	-	-	-
Movement in investment holding gains and losses	-	-	-	-
Transfer on disposal of investments	-	-	-	-
Realised exchange losses on cash and short-term deposits	-	-	-	-

Realised exchange losses on cash and short-term deposits	-	-	-	-
Exchange gains on foreign currency credit facility	-	-	-	-
Repurchase of ordinary shares into treasury	-	(34,693)	-	-
Management fee, finance costs and other expenses charged to capital	-	-	-	-
Performance fee charged to capital	-	-	-	-
Dividends allocated to capital	-	-	-	-
Dividends paid in the year	-	-	-	-
Net return after taxation	-	-	-	-
At 31 August 2025	234,347	(109,818)	39	150,374

	Share capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000
At 1 September 2023	234,347	(46,118)	39	150,374
Gains on sales of investments based on the carrying value at the previous balance sheet date	-	-	-	-
Movement in investment holding gains and losses	-	-	-	-
Transfer on disposal of investments	-	-	-	-
Realised exchange losses on cash and short-term deposits	-	-	-	-
Exchange gains on foreign currency credit facility	-	-	-	-
Repurchase of ordinary shares into treasury	-	(29,007)	-	-
Management fee, finance costs and other expenses charged to capital	-	-	-	-
Performance fee charged to capital	-	-	-	-
Dividends allocated to capital	-	-	-	-
Dividends paid in the year	-	-	-	-
Net return after taxation	-	-	-	-
At 31 August 2024	234,347	(75,125)	39	150,374

Under the Companies (Guernsey) Law 2008, the Company may buy back its own shares, or pay dividends, out of any reserves, subject to passing a solvency test. This test considers whether, immediately after the payment, the Company's assets exceed its liabilities and whether it will be able to pay its debts when they fall due.

15. NET ASSET VALUE PER SHARE

Total equity shareholders' funds (£'000)
Shares in issue at the year end

Net asset value per share (pence)

16. CONTINGENT LIABILITIES AND CAPITAL COMMITMENTS

There were no contingent liabilities or capital commitments at the balance sheet date (2024: none).

17. TRANSACTIONS WITH THE MANAGER

The Company has appointed Schroder Unit Trusts Limited ("the Manager"), a wholly owned subsidiary of Schroders plc, to provide investment management, accounting, secretarial and administration services. Details of the management and performance fee agreement are given in the Directors' Report. The management fee payable in respect of the year amounted to £4,875,000 (2024: £4,763,000), of which £1,300,000 (2024: £1,241,000) was outstanding at the year end. The company secretarial fee payable to the Manager amounted to £150,000 (2024: £150,000) of which £37,500 (2024: £37,500) was outstanding at the year end. The performance fee payable in respect of the year amounted to £4,759,000 (2024: £4,552,000) is payable in respect of the year and the whole of this amount was outstanding at the year end.

If the Company invests in funds managed or advised by the Manager or any of its associated companies, any fee earned by the Manager from those funds is deducted from the management fee payable by the Company. There have been no such investments during the current or comparative year.

18. RELATED PARTY TRANSACTIONS

Details of the remuneration payable to directors are given in the Directors' Remuneration Report and details of Directors' shareholdings are given in the Directors' Remuneration Report. Details of transactions with the Manager are given in note 17 above. There have been no other transactions with related parties during the year (2024: nil).

19. DISCLOSURES REGARDING FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The Company's portfolio of investments, which may comprise investments in equities, equity linked securities, government bonds and derivatives, are carried in the balance sheet at fair value. Other financial instruments held by the Company may comprise amounts due to or from brokers, dividends and interest receivable, accruals and cash at bank.

For these instruments, the balance sheet amount is a reasonable approximation of fair value.

The investments are categorised into a hierarchy comprising the following three levels:

Level 1 - valued using quoted prices in active markets.

Level 2 - valued by reference to valuation techniques using observable inputs other than quoted market prices included within Level 1.

Level 3 - valued by reference to valuation techniques using inputs that are not based on observable market data.

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset.

Details of the valuation techniques used by the Company are given in note 1(a).

Details of the valuation techniques used by the Company are given in note 1(c).

At 31 August 2025, the Company's investment portfolio was categorised as follows:

	Level 1 £'000
Investments in equities and equity linked securities	750,236
Total	750,236

Level 2 investments comprise one holding in Midea Group warrants 10/07/2026. There were no transfers between Levels 1, 2 or 3 during the year ended 31 August 2025.

	Level 1 £'000
Investments in equities and equity linked securities	719,252
Total	719,252

Level 2 investments comprise one holding in Midea Group warrants 10/07/2025. There were no transfers between Levels 1, 2 or 3 during the year ended 31 August 2024.

20. FINANCIAL INSTRUMENTS' EXPOSURE TO RISK AND RISK MANAGEMENT POLICIES

The Company's investment objective is to provide a total return for investors primarily through investments in equities and equity-related investments, of companies which are based in, or which derive a significant proportion of their revenues from, the Asia Pacific region and which offer attractive yields. In pursuing this objective, the Company is exposed to a variety of risks that could result in a reduction in the Company's net assets. These risks include market risk (comprising currency risk, interest rate risk and market price risk), liquidity risk and credit risk. The directors' policy for managing these risks is set out below. The Board coordinates the Company's risk management policy.

The objectives, policies and processes for managing the risks and the methods used to measure the risks that are set out below, have not changed from those applying in the comparative year.

The Company's classes of financial instruments are as follows:

- investments in equities and equity-related securities of companies in the Asia Pacific region which are held in accordance with the Company's investment objective;
- short-term receivables, payables and cash arising directly from its operations; and
- a multicurrency credit facility with Bank of Nova Scotia, the purpose of which is to assist in financing the Company's operations.

(a) Market risk

The fair value or future cash flows of a financial instrument held by the Company may fluctuate because of changes in market prices. This market risk comprises three elements - currency risk, interest rate risk and market price risk. Information to enable an evaluation of the nature and extent of these three elements of market risk is given in parts (i) to (iii) of this note, together with sensitivity analysis where appropriate. The Board reviews and agrees policies for managing these risks and these policies have remained unchanged from those applying in the comparative year. The Manager assesses the exposure to market risk when making each investment decision and monitors the overall level of market risk on the whole of the investment portfolio on an ongoing basis.

(i) Currency risk

The majority of the Company's assets, liabilities and income are denominated in currencies other than sterling, which is the Company's functional currency and the presentational currency of the financial statements. As a result, movements in exchange rates will affect the sterling value of those items.

Management of foreign currency risk

The Manager monitors the Company's exposure to foreign currencies and regularly reports to the Board. The Manager measures the risk to the Company of the foreign currency exposure by considering the effect on the Company's net asset value and income of a movement in the rates of exchange to which the Company's assets, liabilities, income and expenses are exposed.

Income denominated in foreign currencies is converted into sterling on receipt.

Foreign currency exposure

The fair value of the Company's monetary items that have foreign currency exposure at 31 August are shown below. The Company's investments (which are not monetary items) have been included separately in the analysis so as to show the overall level of exposure.

	Japanese yen £'000	Hong Kong dollars £'000	Australian dollars £'000	Singapore dollars £'000	Taiwan dollars £'000
2025					
Current assets	-	380	681	422	528
Current liabilities	-	-	-	-	-
Foreign currency exposure on net monetary items	-	380	681	422	528
Investments held at fair value through profit or loss ¹	2,008	176,858	102,504	106,200	174,537
Total net foreign currency exposure	2,008	177,238	103,185	106,622	175,065

	Japanese yen £'000	Hong Kong dollars £'000	Australian dollars £'000	Singapore dollars £'000	Taiwan dollars £'000
2024					
Current assets	-	2,770	2,117	651	2,774
Current liabilities	-	(2,290)	(1,128)	-	-
Foreign currency exposure on net monetary items	-	480	989	651	2,774
Investments held at fair value through profit or loss ¹	7,986	132,790	110,040	111,422	163,787
Total net foreign currency exposure	7,986	133,270	111,029	112,073	166,561

1 Excluding any stocks priced in sterling.

The above year-end amounts are broadly representative of the exposure to foreign currency risk during the current and comparative year.

Foreign currency sensitivity

The following tables illustrate the sensitivity of net profit for the year and net assets with regard to the Company's monetary financial assets and financial liabilities and exchange rates. The sensitivity analysis is based on the Company's monetary currency financial instruments held at each balance sheet date and assumes a 10% (2024: 10%) appreciation or depreciation in sterling against the currencies to which the Company is exposed, which is considered to be a reasonable illustration based on the volatility of exchange rates during the year.

If sterling had weakened by 10% this would have had the following effect:

Statement of Comprehensive Income - return after taxation
Net revenue return
Net capital (loss)

Total return after taxation

Conversely if sterling had strengthened by 10% this would have had the following effect:

Statement of Comprehensive Income - return after taxation
Net revenue (loss)
Net capital return

Total return after taxation

In the opinion of the directors, the above sensitivity analysis with respect to monetary financial assets and liabilities is broadly representative of the whole of the current and comparative year. The sensitivity of the Company's investments to changes in foreign currency exchange rates is subsumed into market price risk sensitivity.

(ii) Interest rate risk

Interest rate movements may affect the level of income receivable on cash deposits and the interest payable on variable rate borrowings when interest rates are re-set.

Management of interest rate risk

Liquidity and borrowings are managed with the aim of increasing returns to shareholders. The Company's gearing policy is to limit gearing to 25% where gearing is defined as borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

The possible effects on cash flows that could arise as a result of changes in interest rates are taken into account when the Company draws on the credit facility. However, amounts drawn down on this facility are for short-term periods and therefore exposure to interest rate risk is not significant.

Interest rate exposure

The exposure of financial assets and financial liabilities to floating interest rates, giving cash flow interest rate risk when rates are re-set, is shown below:

Exposure to floating interest rates:
Cash and cash equivalents
Other payables: drawings on the credit facility

Total exposure

Cash deposits at call earn interest based on the Sterling Overnight Interest Average ("SONIA") (2024: SONIA) rates.

The Company has arranged a £75 million credit facility with The Bank of Nova Scotia, effective from 29 July 2025. Interest is payable at the aggregate of the compounded Risk Free Rate ("RFR") for the relevant currency and loan period, plus a margin. Amounts are normally drawn down on the facility for a one month period, at the end of which it may be rolled over or adjusted. At 31 August 2025, the Company had drawn down US 50.0 million (£37.0 million) for a one month period, at an interest rate of 5.26% per annum.

The Company had in place a £100 million credit facility with The Bank of Nova Scotia, for the period 1st September 2024 to 28th July 2025. At 31 August 2024, the Company had drawn down US 50.0 million (£38.0 million) for a one month period, at an interest rate of 5.26% per annum.

an interest rate of 6.38% per annum.

The above year-end amounts are not representative of the exposure to interest rates during the year as the level of cash balances and drawings on the credit facility have fluctuated. The maximum and minimum net interest rate exposure during the year has been as follows:

Maximum interest rate exposure during the year - net debt
Minimum interest rate exposure during the year - net debt

Interest rate sensitivity

The following table illustrates the sensitivity of the return after taxation for the year and net assets to a 1.0% (2024: 1.0%) increase or decrease in interest rates in regards to the Company's monetary financial assets and financial liabilities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's monetary financial instruments held at the balance sheet date with all other variables held constant.

	2025
	1.0%
	increase
	in rate
	£'000
Statement of Comprehensive Income - return after taxation	(63)
Net revenue (loss)/return	(222)
Net capital (loss)/return	
Net total (loss)/return	(285)
Net (liabilities)/assets	(285)

In the opinion of the directors, this sensitivity analysis may not be representative of the Company's future exposure to interest rate changes due to fluctuations in the level of cash balances and drawings on the credit facility.

(iii) Market price risk

Market price risk includes changes in market prices which may affect the value of the Company's investments.

Management of market price risk

The Board meets on at least four occasions each year to consider the asset allocation of the portfolio and the risk associated with particular industry sectors. The investment management team has responsibility for monitoring the portfolio, which is selected in accordance with the Company's investment objective and seeks to ensure that individual stocks meet an acceptable risk/reward profile.

Market price risk exposure

The Company's total exposure to changes in market prices at 31 August comprised the following:

Investments at fair value through profit or loss

The above data is broadly representative of the exposure to market price risk during the year.

Concentration of exposure to market price risk

An analysis of the Company's investments is given in the Annual Report and Accounts. This shows that the portfolio principally comprises investments quoted on Asian stock markets. Accordingly there is a concentration of exposure to that region. However it should be noted that an investment may not be entirely exposed to the economic conditions in its country of domicile or of listing.

Market price risk sensitivity

The following table illustrates the sensitivity of the net profit for the year and net assets to an increase or decrease of 20% (2024: 20%) in the fair values of the Company's equities. This level of change is considered to be a reasonable illustration based on observation of current market conditions. The sensitivity analysis is based on the Company's equities, adjusting for changes in the management fee, but with all other variables held constant.

	2025
	20%
	increase
	in fair value
	£'000
Statement of Comprehensive Income - return after taxation	(428)
Net revenue (loss)/return	152,121
Net capital return/(loss)	
Total return/(loss) after taxation	151,693

(b) Liquidity risk

This is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

Management of the risk

Liquidity risk is not significant as the Company's assets comprise mainly readily realisable securities, which can be sold to meet funding requirements if necessary. Short-term flexibility is achieved through the use of a credit facility.

The Board's policy is for the Company to remain fully invested in normal market conditions and that the credit facility be used to manage working capital requirements and to gear the Company as appropriate.

Liquidity risk exposure

Contractual maturities of financial liabilities, based on the earliest date on which payment can be required are as follows:

Other payables

Bank loan - including interest
Securities purchased awaiting settlement
Other payables and accruals

(c) Credit risk

Credit risk is the risk that the failure of the counterparty to a transaction to discharge its obligations under that transaction could result in loss to the Company.

Management of credit risk

This risk is managed as follows:

Portfolio dealing

The Company invests almost entirely in markets that operate a "Delivery Versus Payment" settlement process which mitigates the risk of losing the principal of a trade during settlement. The Manager continuously monitors dealing activity to ensure best execution, which involves measuring various indicators including the quality of trade settlement and incidence of failed trades. Counterparties must be pre-approved by the Manager's credit committee.

The Company may sometimes invest in equity-linked securities, such as low exercise price options, warrants, participatory notes and depositary receipts, which provide synthetic equity exposure where the Company may otherwise find it problematic to invest in the underlying assets directly. They have the same economic risks as a direct investment, except that there is a counterparty risk to the issuing investment bank. Counterparties must be approved by the Manager's Credit Risk Team based on a list of criteria and are monitored on an ongoing basis by Schroders' Portfolio Compliance Team.

Exposure to the custodian

The Custodian of the Company's assets at the balance sheet date was HSBC Bank plc which has Long-Term Credit Ratings of AA- with Fitch and A1 with Mbody's.

The Company's investments are held in accounts which are segregated from the Custodian's own trading assets. If the Custodian were to become insolvent, the Company's right of ownership of its investments is clear and they are therefore protected. However the Company's cash balances are all deposited with the Custodian as banker and held on the Custodian's balance sheet. In accordance with usual banking practice, the Company will rank as a general creditor to the Custodian in respect of cash balances and open currency contracts.

Credit risk exposure

The following amounts shown in the balance sheet, represent the maximum exposure to credit risk at the current and comparative year end.

	2025
Current assets	Balance sheet
Receivables - dividends and interest	£'000
Securities sold awaiting settlement	2,720
Cash and cash equivalents	1,379
	8,527
	<hr/>
	12,626
	<hr/>

No items included in "Receivables" are past their due date and none have been provided for.

21. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's objectives, policies and processes for managing capital are unchanged from the preceding year.

The Company's debt and capital structure comprises the following:

Debt

Bank loan

Equity

Share capital
Reserves

Total debt and equity

The Company's capital management objectives are to ensure that it will continue as a going concern and to maximise total return to its equity shareholders through an appropriate level of gearing.

The Board's policy is to limit gearing to 25%. Gearing for this purpose is defined as borrowings used for investment purposes, less cash, expressed as a percentage of net assets.

Borrowings used for investment purposes, less cash
Net assets
Gearing

The Board, with the assistance of the Manager, monitors and reviews the broad structure of the Company's capital on an ongoing basis. This review includes:

- the planned level of gearing, which takes into account the Manager's views on the market;
- the need to buy back the Company's own shares for cancellation or to hold in treasury, which takes into account the share price discount;
- the opportunities for issuance of new shares or to reissue shares from treasury; and
- the amount of dividend to be paid, in excess of that which is required to be distributed.

22. EVENTS AFTER THE ACCOUNTING DATE THAT HAVE NOT BEEN REFLECTED IN THE FINANCIAL STATEMENTS

The Depositary, Administration and Custody services of the Company transitioned from HSBC Bank plc to J.P. Morgan Europe Limited and JPMorgan Chase Bank, N.A., London Branch effective 3 October 2025.

As detailed in the Section 172 Report within the Annual Report and Accounts, following discussions regarding the fee structure, on 6 November 2025 the Board and Manager agreed as follows:

- the performance fee will be terminated as of 31 August 2026;
- the cap on the total amount of any performance fee payable this year will be reduced to 0.55% of the net asset value payable, calculated at the end of the relevant accounting period.
- a new marketing fee of £200,000 payable to the Manager will be introduced from the end of this current financial year; and
- the notice period in the AIFM agreement will be reduced from 12 to 6 months

There have been no other events we are aware of since the balance sheet date which either require changes to be made to the figures included in the financial statements or to be disclosed by way of note.

2025 Financial Information

The figures and financial information for 2024 are extracted from the Annual Report and Financial Statements for the year ended 31 August 2025 and do not constitute the statutory accounts for that year. The Annual Report and Financial Statements include the Report of the Independent Auditors which is unqualified and does not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006. The Annual Report and Financial Statements will be delivered to the Registrar of Companies in due course.

2024 Financial Information

The figures and financial information for 2023 are extracted from the published Annual Report and Financial Statements for the year ended 31 August 2024 and do not constitute the statutory accounts for the year. The Annual Report and Financial Statements have been delivered to the Registrar of Companies and included the Report of the Independent Auditors which was unqualified and did not contain a statement under either section 498(2) or section 498(3) of the Companies Act 2006.

Neither the contents of the Company's web pages nor the contents of any website accessible from hyperlinks on the Company's web pages (or any other website) is incorporated into, or forms part of, this announcement.

6 November 2025

For further information:

Natalia de Sousa

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