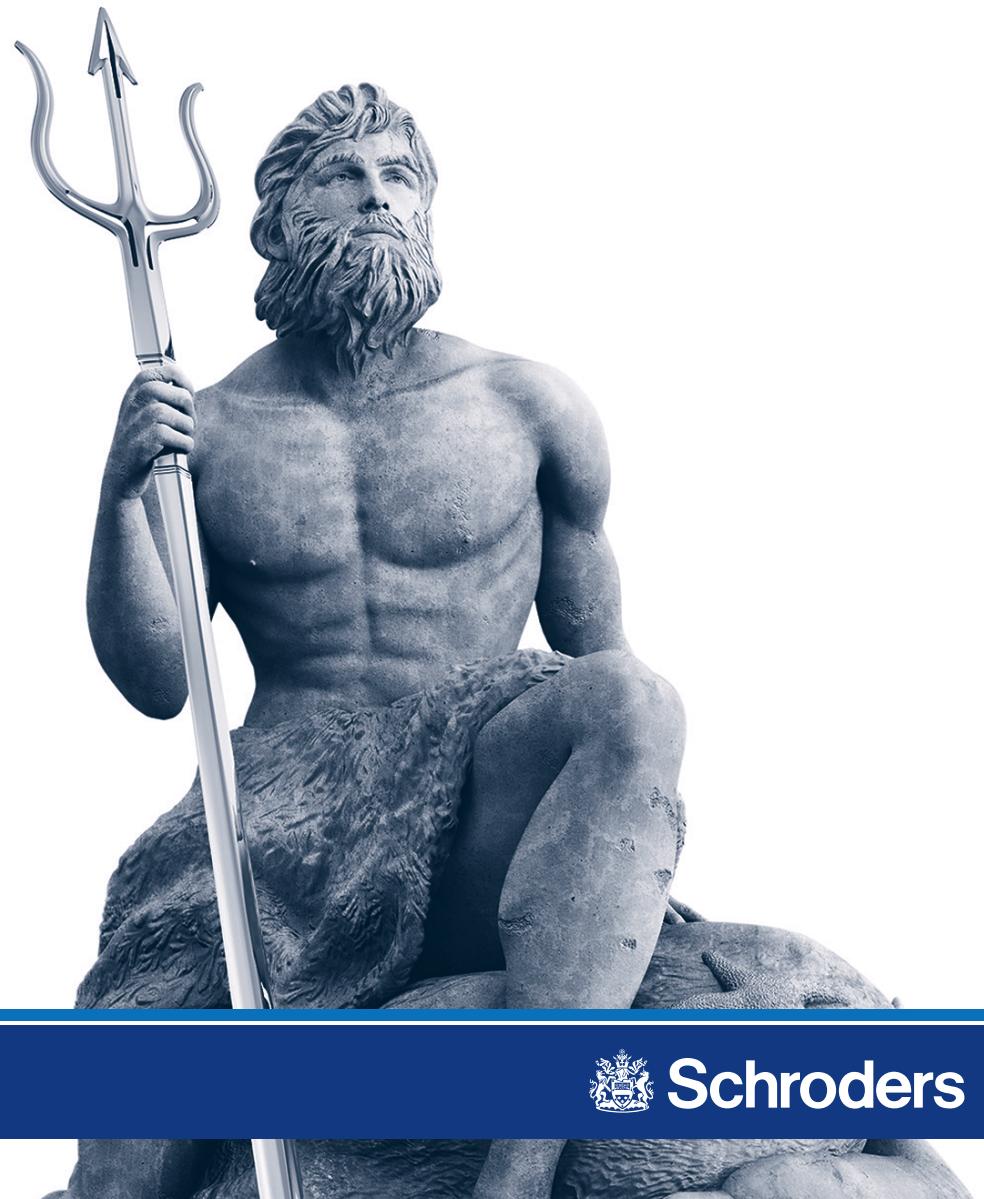


Schroder Oriental Income Fund Limited

Half Year Report and Accounts for the six months ended 28 February 2015



Schroders

Investment Objective, Directors and Advisers

Investment objective

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.

Directors

Robert Sinclair (Chairman)

Fergus Dunlop

Peter Rigg

Christopher Sherwell

Alternative Investment Fund Managers (AIFM) Directive

Certain pre-sale, regular and periodic disclosures required by the AIFM Directive may be found either in this Report or on the web at www.schroders.co.uk/its.

Non-Mainstream Pooled Investments (NMP) status

The Company currently conducts its affairs so that its shares can be recommended by Independent Financial Advisers to ordinary retail investors in accordance with the FCA's rules in relation to non-mainstream investment products and intends to continue to do so for the foreseeable future. The Company's shares are excluded from the FCA's restrictions which apply to non-mainstream investment products because the returns to investors are predominantly based on exposure to listed equities and equity-based instruments.

Advisers

Alternative Investment Fund Manager ("Manager")

Schroder Unit Trusts Limited

31 Gresham Street

London EC2V 7QA

Lending Bank

Scotiabank Europe PLC

201 Bishopsgate

London EC2M 3NS

Investment Manager, Company Secretary and Administrator

Schroder Investment Management Limited

31 Gresham Street

London EC2V 7QA

Telephone: 020 7658 6501

Recognised Auditor

Ernst & Young LLP

Royal Chambers

St Julian's Avenue

St Peter Port

Guernsey GY1 4AF

Registered Office

[PO Box 255

Trafalgar Court

Les Banques

St Peter Port

Guernsey GY1 3QL]

Corporate Broker

Nomis Securities Limited

The London Stock Exchange Building

10 Paternoster Square

London EC4M 7LT

Designated Manager

HSBC Securities Services (Guernsey) Limited

Arnold House

St Julian's Avenue

St Peter Port

Guernsey •

Registrar

Computershare Investor Services (Guernsey) Limited

3rd Floor

Natwest House

Le Truchot

St Peter Port

Guernsey GY1 1WD

Safekeeping and Cashflow Monitoring Agent and Custodian

HSBC Bank plc

8 Canada Square

London E14 5HQ

Contents

Financial Highlights and Ten Largest Investments	2
Interim Management Report	3
Statement of Comprehensive Income	6
Statement of Changes in Equity	7
Balance Sheet	8
Cash Flow Statement	9
Notes to the Accounts	10
Company Summary	12

Financial Highlights

Total returns (including dividends reinvested) ¹	For the six months ended 28 February 2015
Net asset value ("NAV") per share total return (based on ex-income NAV per share) ²	7.3%
Share price total return	6.7%

	28 February 2015	31 August 2014	% Change
Shareholders' funds (£'000)	447,593	428,456	+4.5
NAV per share	200.68p	193.44p	+3.7
Share price	203.75p	195.50p	+4.2
Share price premium to NAV per share excluding undistributed current year revenue	2.4%	3.0%	

¹Source: Morningstar.

²The cum-income NAV per share total return for the period was 6.2%.

Ten Largest Investments

As at 28 February 2015

Company and activity	Market value of holding £'000	Percentage of equity shareholders' funds
Fortune Real Estate Investment Trust Owner operator of shopping malls in Hong Kong	27,631	6.2
Taiwan Semiconductor Taiwanese manufacturer of semiconductor products	20,637	4.6
HSBC Multinational bank	15,380	3.4
National Australia Bank Australian bank	13,245	3.0
China Petroleum & Chemical Petroleum and petrochemical manufacturer	12,896	2.9
BOC Hong Kong Financial services provider in Hong Kong	11,626	2.6
Hopewell Property and toll roads operator in Hong Kong and China	11,600	2.6
Sydney Airport Airport services provider	11,131	2.5
Venture Singapore contract manufacturing services provider	10,817	2.4
PCCW Hong Kong telecommunications provider	10,562	2.3
TOTAL	145,525	32.5

At 31 August 2014, the ten largest investments represented 34.3% of equity shareholders' funds.

Interim Management Report – Chairman's Statement

Performance

Gearing policy

Outlook

Robert S Sinclair
Chairman
27 April 2015

Interim Management Report – Manager's Review

Market background

Activity

Outlook

Investment policy

Schroder Investment Management Limited

27 April 2015

The securities referred to above are for illustrative purposes only and are not to be considered a recommendation to buy or sell.

Interim Management Report

Principal risks and uncertainties

The principal risks and uncertainties with the Company's business fall into the following categories: financial risk; strategic risk; and accounting, legal and regulatory risk. A detailed explanation of the risks and uncertainties in each of these categories can be found on page 15 of the Company's published Annual Report and Accounts for the year ended 31 August 2014. These risks and uncertainties have not materially changed during the six months ended 28 February 2015.

Going concern

The Directors believe that, having considered the Company's investment objective, risk management policies, capital management policies and procedures, expenditure projections and the fact that the Company's investments comprise readily realisable securities which can be sold to meet funding requirements if necessary, that the Company has adequate resources, an appropriate financial structure and suitable management arrangements in place to continue in operational existence for the foreseeable future. For these reasons, they consider that there is reasonable evidence to continue to adopt the going concern basis in preparing the accounts.

Related party transactions

During the first six months of the current financial year, no transactions with related parties have taken place which have materially affected the financial position or the performance of the Company.

Directors' responsibility statement

The Directors confirm that, to the best of their knowledge, this condensed set of financial statements has been prepared in accordance with The Companies (Guernsey) Law 2008 and with International Financial Reporting Standards ("IFRS") and the Interim Management Report as set out above includes a fair review of the information required by 4.2.7R and 4.2.8R of the Financial Conduct Authority's Disclosure and Transparency Rules.

Statement of Comprehensive Income

	(Unaudited) for the six months ended 28 February 2015			(Unaudited) for the six months ended 28 February 2014			(Audited) for the year ended 31 August 2014		
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments held at fair value through profit or loss	–	16,994	16,994	–	(18,311)	(18,311)	–	28,387	28,387
Net foreign currency gains	–	4,025	4,025	–	1,194	1,194	–	210	210
Income from investments	8,480	–	8,480	8,050	–	8,050	21,074	878	21,952
Other income	7	–	7	11	–	11	24	–	24
Gross return/(loss)	8,487	21,019	29,506	8,061	(17,117)	(9,056)	21,098	29,475	50,573
Management fee	(487)	(1,135)	(1,622)	(423)	(987)	(1,410)	(887)	(2,070)	(2,957)
Performance fee	–	–	–	–	–	–	–	(1,786)	(1,786)
Other administrative expenses	(317)	(3)	(320)	(294)	(2)	(296)	(566)	(3)	(569)
Profit/(loss) before finance costs and taxation	7,683	19,881	27,564	7,344	(18,106)	(10,762)	19,645	25,616	45,261
Finance costs	(185)	(431)	(616)	(106)	(246)	(352)	(272)	(629)	(901)
Profit/(loss) before taxation	7,498	19,450	26,948	7,238	(18,352)	(11,114)	19,373	24,987	44,360
Taxation (note 5)	(446)	–	(446)	(580)	–	(580)	(1,571)	–	(1,571)
Net profit/(loss) and total comprehensive income	7,052	19,450	26,502	6,658	(18,352)	(11,694)	17,802	24,987	42,789
Earnings/(loss) per share (note 6)	3.17p	8.74p	11.91p	3.04p	(8.39)p	(5.35)p	8.12p	11.40p	19.52p

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 issued by The Association of Investment Companies.

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

Statement of Changes in Equity

for the six months ended 28 February 2015 (unaudited)

	Share capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2014	148,880	(29,447)	39	150,374	138,851	19,759	428,456
Reissue of shares from Treasury	–	2,997	–	–	–	–	2,997
Net profit	–	–	–	–	19,450	7,052	26,502
Dividends paid in the period	–	–	–	–	–	(10,362)	(10,362)
At 28 February 2015	148,880	(26,450)	39	150,374	158,301	16,449	447,593

for the six months ended 28 February 2014 (unaudited)

	Share capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2013	148,880	(35,624)	39	150,374	113,864	18,393	395,926
Reissue of shares from Treasury	–	1,319	–	–	–	–	1,319
Net (loss)/profit	–	–	–	–	(18,352)	6,658	(11,694)
Dividends paid in the period	–	–	–	–	–	(9,843)	(9,843)
At 28 February 2014	148,880	(34,305)	39	150,374	95,512	15,208	375,708

for the year ended 31 August 2014 (audited)

	Share capital £'000	Treasury share reserve £'000	Capital redemption reserve £'000	Special reserve £'000	Capital reserves £'000	Revenue reserve £'000	Total £'000
At 31 August 2013	148,880	(35,624)	39	150,374	113,864	18,393	395,926
Reissue of shares from Treasury	–	6,177	–	–	–	–	6,177
Net profit	–	–	–	–	24,987	17,802	42,789
Dividends paid in the year	–	–	–	–	–	(16,436)	(16,436)
At 31 August 2014	148,880	(29,447)	39	150,374	138,851	19,759	428,456

Balance Sheet

	(Unaudited) At 28 February 2015 £'000	(Unaudited) At 28 February 2014 £'000	(Audited) At 31 August 2014 £'000
Non current assets			
Investments at fair value through profit or loss	474,273	389,464	451,605
Current assets			
Receivables	1,456	1,168	2,490
Cash and cash equivalents	6,130	13,948	20,575
	7,586	15,116	23,065
Total assets	481,859	404,580	474,670
Current liabilities			
Bank loans	(33,277)	(28,013)	(42,633)
Payables	(989)	(859)	(3,581)
	(34,266)	(28,872)	(46,214)
Net assets	447,593	375,708	428,456
Equity attributable to equity holders			
Share capital (note 7)	148,880	148,880	148,880
Treasury share reserve	(26,450)	(34,305)	(29,447)
Capital redemption reserve	39	39	39
Special reserve	150,374	150,374	150,374
Capital reserves	158,301	95,512	138,851
Revenue reserve	16,449	15,208	19,759
Total equity shareholders' funds	447,593	375,708	428,456
Net asset value per share (note 8)	200.68p	171.64p	193.44p

Registered in Guernsey
Company registration number: 43298

Cash Flow Statement

	(Unaudited) For the six months ended 28 February 2015 £'000	(Unaudited) For the six months ended 28 February 2014 £'000	(Audited) For the year ended 31 August 2014 £'000
Operating activities			
Profit/(loss) before taxation	26,948	(11,114)	44,360
Add back interest	616	352	901
Less exchange gains on foreign currency bank loan	(3,903)	(1,435)	(109)
Add back (gains)/losses on investments at fair value through profit or loss	(16,994)	18,311	(28,387)
Net purchases of investments at fair value through profit or loss	(5,652)	(2,076)	(17,564)
Decrease/(increase) in receivables	1,139	387	(854)
(Decrease)/increase in payables	(2,543)	(2,420)	207
Overseas taxation suffered	(573)	(464)	(1,491)
Net cash (outflow)/inflow from operating activities before interest	(962)	1,541	(2,937)
Interest paid	(665)	(373)	(827)
Net cash (outflow)/inflow from operating activities	(1,627)	1,168	(3,764)
Financing activities			
Net bank loans (repaid)/drawn down	(5,453)	3,136	16,430
Reissue of shares from Treasury	2,997	1,319	6,177
Dividends paid	(10,362)	(9,843)	(16,436)
Net cash (outflow)/inflow from financing activities	(12,818)	(5,388)	6,171
(Decrease)/increase in cash and cash equivalents	(14,445)	(4,220)	2,407
Cash and cash equivalents at the start of the period	20,575	18,168	18,168
Cash and cash equivalents at the end of the period	6,130	13,948	20,575

Notes to the Accounts

1. Principal activity

The Company carries on business as a Guernsey closed-ended investment company.

2. Financial statements

The financial information for the six months ended 28 February 2015 and 28 February 2014 has not been audited or reviewed by the Company's Auditor. These financial statements do not include all of the information required to be included in annual financial statements and should be read in conjunction with the financial statements of the Company for the year ended 31 August 2014.

3. Accounting policies

The accounts have been prepared in accordance with International Financial Reporting Standard 34 "Interim Financial Reporting" and the accounting policies set out in the statutory accounts of the Company for the year ended 31 August 2014. Where presentational guidance set out in the Statement of Recommended Practice ("the SORP") for investment trusts issued by the Association of Investment Companies in January 2009 is consistent with the requirements of International Financial Reporting Standards, the accounts have been prepared on a basis compliant with the recommendations of the SORP.

4. Dividends

	(Unaudited) Six months ended 28 February 2015 £'000	(Unaudited) Six months ended 28 February 2014 £'000	(Audited) Year ended 31 August 2014 £'000
Third interim dividend of 3.00p in respect of the year ended 31 August 2013	–	6,560	6,560
Fourth interim dividend of 3.15p in respect of the year ended 31 August 2014	7,018	–	–
First interim dividend of 1.50p (2014: 1.50p)	3,344	3,283	3,283
Second interim dividend of 1.50p	–	–	3,283
Third interim dividend of 1.50p	–	–	3,310
	10,362	9,843	16,436

A second interim dividend of 1.50p (2014: 1.50p) per share, amounting to £3,346,000 (2014: £3,283,000) has been declared payable in respect of the year ending 31 August 2015.

5. Taxation

The Company has been granted an exemption from Guernsey taxation, under the Income Tax (Exempt Bodies) Guernsey Ordinance for which it is charged an annual exemption fee of £1,200 (2014: £600). The tax charge comprises irrecoverable overseas tax deducted from dividends receivable.

Notes to the Accounts

6. Earnings/(loss) per share

	(Unaudited) Six months ended 28 February 2015 £'000	(Unaudited) Six months ended 28 February 2014 £'000	(Audited) Year ended 31 August 2014 £'000
Net revenue profit	7,052	6,658	17,802
Net capital profit/(loss)	19,450	(18,352)	24,987
Net total profit/(loss)	26,502	(11,694)	42,789
Weighted average number of shares in issue during the period	222,561,187	218,749,309	219,238,697
Revenue earnings per share	3.17p	3.04p	8.12p
Capital earnings/(loss) per share	8.74p	(8.39)p	11.40p
Total earnings/(loss) per share	11.91p	(5.35)p	19.52p

7. Share capital

The Company's share capital comprises the following:

	(Unaudited) 28 February 2015	(Unaudited) 28 February 2014	(Audited) 31 August 2014
Ordinary shares, excluding shares held in Treasury	223,041,574	218,891,574	221,491,574
Shares held in Treasury	13,900,000	18,050,000	15,450,000
Closing balance	236,941,574	236,941,574	236,941,574

8. Net asset value per share

	(Unaudited) 28 February 2015	(Unaudited) 28 February 2014	(Audited) 31 August 2014
Net assets attributable to shareholders (£'000)	447,593	375,708	428,456
Shares in issue at the period end, excluding shares held in Treasury	223,041,574	218,891,574	221,491,574
Net asset value per share	200.68p	171.64p	193.44p

Company Summary

The Company

Schroder Oriental Income Fund Limited is an independent Guernsey resident Company, whose shares are listed on the London Stock Exchange. As at 27 April 2015, the Company had • ordinary shares in issue and a total of • ordinary shares held in Treasury. Accordingly, the total number of voting rights in the Company as at 27 April 2015 is •. The Company's assets are managed by Schroders, which also administers the Company.

It is not intended for the Company to have a limited life and the Articles of Association do not contain any provisions for review of the future of the Company at specified intervals.

Website and share price information

The Company has a dedicated website, which may be found at www.schroderorientalincomefund.com. The website has been designed to be utilised as the Company's primary method of electronic communication with shareholders. It contains details of the Company's share price (subject to a delay of 15 minutes) and copies of Report and Accounts and other documents published by the Company as well as information on the Directors, Terms of Reference of the Board's Committees and other governance arrangements. In addition, the site contains links to announcements made by the Company to the market and Schroders' website. There is also a section entitled "How to Invest" which provides details of the Schroder ISA.

The Company releases its Net Asset Value per share on both a cum and ex income basis to the market daily.

Share price information may also be found in the Financial Times and on Schroders' website at www.schroders.co.uk/its.

Registrar services

Communications with shareholders are mailed to the address held on the register. Any notification and enquiries relating to shareholdings, including a change of address or other amendment should be directed to Computershare Investor Services (Guernsey).

AIFM Directive disclosures

Preferential treatment of investors

The Company's investors purchase shares on the open market and therefore the Company is not in a position to influence the treatment of investors. No investor receives preferential treatment.

Liquidity risk management

The Company's shares are traded on the London Stock Exchange through market intermediaries. There are no special rights to redemption.

Periodic and regular disclosure under the AIFM Directive

- (a) none of the Company's assets are subject to special arrangements arising from their illiquid nature;
- (b) there are no new arrangements for managing the liquidity of the Company including, but not limited to, any material changes to the liquidity management systems and procedures employed by the Manager in place. Shareholders will be notified immediately where the issue, cancellation, sale and redemption of shares is suspended, when redemptions are suspended or where other similar special arrangements are activated;
- (c) the current risk profile of the Company and the risk management systems employed by the Manager to manage those risks can be found in the Strategic Report of the Company's published 2014 Annual Report and Accounts; and
- (d) the total amount of leverage employed by the Company may be found in the Strategic Report of the Company's published 2014 Annual Report and Accounts.

Any changes to the following information will be provided through a regulatory news service without undue delay and in accordance with the Directive:

- (a) any changes to the maximum level of leverage which the Manager may employ on behalf of the Company; and
- (b) any changes to the right of re-use of collateral or any changes to any guarantee granted under any leveraging arrangement.

AIFM remuneration disclosures

The information required under the AIFM Directive to be made available to investors in the Company on request in respect of remuneration paid by the AIFM to its staff, and, where relevant, carried interest paid by the Company, can be found on the website www.schroders.co.uk/its.

www.schroderorientalincomefund.com

www.schroders.co.uk/its

Dealing Codes

ISIN: GB00B0CRWN59
SEDOL Code: B0CRWN5
Ticker: SOI

Global Intermediary Identification Number (GIIN)

1TVP6A.99999.SL.831

