

Appendix 4D

Half-Year Report

For the half-year ended 31 December 2016

Date: 23 February 2017

Results for announcement to the market

FINANCIAL RESULTS	HALF-YEAR ENDED DEC 2016 \$	HALF-YEAR ENDED DEC 2015 \$	CHANGE* %
Revenue from Ordinary Activities	5,256,489	8,275	634%
Profit / (loss) from ordinary activities after tax attributable to members	3,303,794	(305,120)	n/a
Profit / (loss) for the year attributable to members	3,303,794	(305,120)	n/a

* Note: A loss from ordinary activities in the prior year was recorded, accordingly no % change is shown.

NET TANGIBLE ASSET ("NTA") BACKING PER SHARE	31 DECEMBER 2016 \$	30 JUNE 2016 \$	6 MONTH CHANGE %
NTA after tax	1.0632	0.9729	9.3%
NTA after tax (adjusted for final dividend of 2.5 cents per share)	1.0882	0.9729	11.9%

Dividends

On 23 February 2017, the Directors declared a fully franked interim dividend of 2.0 cents per share (December 2015: \$nil) which will be paid on 6 April 2017. The Ex-Dividend date is 15 March 2017 and the Record Date is 16 March 2017.

The amount of the proposed fully franked dividend, which is not recognised as a liability as at 31 December 2016, is \$1,110,764 (December 2015: \$Nil).

The Dividend Reinvestment Plan will operate in conjunction with this dividend. The last date for receipt of an election notice in respect of this dividend is 17 March 2017. No discount is offered on the Dividend Reinvestment Plan in respect of this dividend.

Details of any dividend or distribution reinvestment plans in operation:

On 18 August 2016, the Company introduced a Dividend Reinvestment Plan ("Plan"). The Plan will allow eligible shareholders to re-invest their future dividends (as may be declared from time to time) into the Company's shares.

Participation in the Plan is voluntary. If shareholders elect to participate in the Plan now, they may vary or cancel their participation in the future in accordance with the terms and conditions of the Plan.

Eligible shareholders are shareholders with a registered address in Australia. The Company does not currently intend to extend the Plan to shareholders outside of Australia, given the potential complexity and additional costs involved.

The Dividend Reinvestment Plan application form must be received by the share registry no later than the next business day after the Record Date for that dividend (or a later date approved by the Company).

Details of the Plan can be found on the Company's website as follows:

<http://www.pmcapital.com.au/paf/compliance>

Entities over which control has been lost during the period:

None.

Details of associates and joint venture entities

None.

To find out more about PM Capital Asian Opportunities Fund Limited, please visit the Company's website:

<http://www.pmcapital.com.au/listed-investment-company/paf>

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171

Financial Report
For the Half-Year Ended 31 December 2016

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
FINANCIAL REPORT
For the Half-Year Ended 31 December 2016

Contents	Page
Corporate Directory	1
Directors' Report	2
Auditor's Independence Declaration	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Financial Position	5
Statement of Changes in Equity	6
Statement of Cash Flows	7
Notes to the Financial Statements	8
Directors' Declaration	12
Independent Auditor's Review Report	13

This half-year report does not include all the notes of the type normally included in an annual financial report. Accordingly, this half-year report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made in respect of PM Capital Asian Opportunities Fund Limited during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
CORPORATE DIRECTORY

Directors:	Brett Spork - Chairman and Non-executive Director Todd Barlow - Non-executive Director Andrew Reeve-Parker - Non-executive Director (resigned 21 October 2016) Ben Skilbeck - Executive Director Richard Matthews - Alternate Director for Ben Skilbeck
Company Secretary:	Richard Matthews
Investment Manager:	PM Capital Limited Level 27, 420 George Street Sydney NSW 2000 (AFSL 230222)
Auditor:	HLB Mann Judd (NSW Partnership) Chartered Accountants Level 19, 207 Kent Street Sydney NSW 2000
Country of Incorporation:	Australia
Registered Office:	Level 27, 420 George Street Sydney NSW 2000 Telephone: (+612 8243 0888)
Share Registry:	Boardroom Pty Limited Level 12, 225 George Street Sydney NSW 2000 Telephone: (+612 9290 9600)
Australian Securities Exchange Code:	Shares: PAF.AX
Website:	http://www.pmcapital.com.au/listed-investment-company/paf
Charters and Policies:	http://www.pmcapital.com.au/paf/compliance

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171
DIRECTORS' REPORT
For the Half-Year Ended 31 December 2016

The directors submit the financial report of PM Capital Asian Opportunities Fund Limited ("the Company") for the half-year ended 31 December 2016.

Directors

The following persons were directors of the Company during the whole of the half-year and up to the date of this report (unless otherwise stated):

Brett Spork	Chairman and Non-executive Director
Todd Barlow	Non-executive Director
Andrew Reeve-Parker	Non-executive Director (resigned 21 October 2016)
Ben Skilbeck	Executive Director
Richard Matthews	Alternate Director for Ben Skilbeck

Principal Activities of the Company

The Company is a listed investment company established to invest predominantly in a concentrated portfolio of listed securities from Asian equity markets (ex-Japan) or companies whose business is predominantly conducted in this region, with the objective of providing long-term capital growth.

Review of Operations

The performance of the Company, as represented by the results of its operations, was as follows:

	Half-year ended 31 December	
	2016	2015
	\$	\$
Profit/(loss) before income tax	4,692,388	(566,541)
Income tax (expense)/benefit	(1,388,594)	261,421
Profit/(loss) for the period attributable to shareholders	3,303,794	(305,120)

Please refer to the Statement of Profit or Loss and Other Comprehensive Income for further details.

Dividends

On 25 August 2016, the Directors declared a fully franked final dividend of 2.5 cents per share which amounted to \$1,378,113 and was paid on 6 October 2016.

On 23 February 2017, the Directors declared a fully franked interim dividend of 2.0 cents per ordinary share (December 2015: \$Nil) which will be paid on 6 April 2017. The Ex-Dividend date is 15 March 2016 and the Record Date is 16 March 2017.

The amount of the proposed fully franked dividend, which was not recognised as a liability as at 31 December 2016, is \$1,110,764 (December 2015: \$Nil).

The Dividend Reinvestment Plan will operate in conjunction with this dividend. The last date for receipt of an election notice in respect of this dividend is 17 March 2017. No discount is offered on the Dividend Reinvestment Plan in respect of this dividend.

Details of the Plan can be found on the Company's website:

<http://www.pmcapital.com.au/paf/compliance>

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under *Section 307C* of the *Corporations Act 2001* is set out on page 3.

Signed at Sydney this 23rd day of February 2017, in accordance with a resolution of the Board of Directors by:



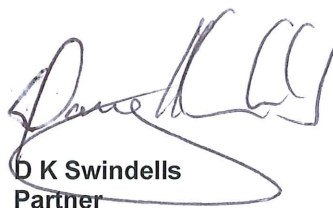
Brett Spork
Chairman

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED**ACN 168 666 171****AUDITOR'S INDEPENDENCE DECLARATION****To the Directors of PM Capital Asian Opportunities Fund Limited:**

As lead auditor for the review of the financial report of PM Capital Asian Opportunities Fund Limited for the half-year ended 31 December 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) any applicable code of professional conduct in relation to the review.

Sydney, NSW
23 February 2017



D K Swindells
Partner

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

		Half-year ended 31 December	
	Note	2016 \$	2015 \$
Revenue			
Interest		280	23,188
Dividends		551,676	191,545
Gains/(losses) on investments held at fair value through profit or loss		4,678,738	(2,115,337)
Gains on foreign exchange		25,795	1,908,879
Total revenue		5,256,489	8,275
Expenses			
Management fees		295,264	324,063
Performance fees		-	49,060
Brokerage fees		32,949	39,873
Finance costs		34,497	-
Directors' fees		41,693	47,500
ASX fees		46,635	39,128
Insurance		27,296	22,171
Audit fees		20,095	22,138
Legal and tax advice		4,427	8,000
Other operating expenses		61,245	22,883
Total expenses		564,101	574,816
Profit/(loss) before income tax		4,692,388	(566,541)
Income tax (expense)/benefit		(1,388,594)	261,421
Profit/(loss) after income tax		3,303,794	(305,120)
Other comprehensive income/(loss) for the period		-	-
Total comprehensive income/(loss) attributable to shareholders		3,303,794	(305,120)
Basic earnings/(loss) per share	6	5.97 cents	(0.55) cents
Diluted earnings/(loss) per share	6	5.97 cents	(0.55) cents

This Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the Notes to the Financial Statements which follow.

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	As at 31 December 2016 \$	As at 30 June 2016 \$
Assets			
Current assets			
Cash and cash equivalents	3	4,874,190	221,168
Financial assets at fair value through profit or loss	2 (c)	58,618,931	56,270,321
Receivables		2,589,050	132,502
Total current assets		66,082,171	56,623,991
Non-current assets			
Deferred tax assets		784,603	1,805,137
Total non-current assets		784,603	1,805,137
TOTAL ASSETS		66,866,774	58,429,128
Liabilities			
Current liabilities			
Interest bearing liabilities	3	4,827,933	928,043
Financial liabilities at fair value through profit or loss	2 (c)	126,046	155,243
Payables		2,662,142	179,311
Income tax payable		202,819	415,222
Total current liabilities		7,818,940	1,677,819
TOTAL LIABILITIES		7,818,940	1,677,819
NET ASSETS		59,047,834	56,751,309
SHAREHOLDERS' EQUITY			
Share capital	4	53,859,818	53,488,974
Retained profits		5,188,016	3,262,335
TOTAL SHAREHOLDERS' EQUITY		59,047,834	56,751,309

*This Statement of Financial Position should be read in conjunction with
the Notes to the Financial Statements which follow.*

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171
STATEMENT OF CHANGES IN EQUITY
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

	Share Capital	Share Option Reserve	Retained Profits / (Losses)	Total Equity
	\$	\$	\$	\$
Balance at 1 July 2015	50,879,017	2,572,957	6,942,804	60,394,778
Total comprehensive loss for the period	-	-	(305,120)	(305,120)
Subtotal	-	-	(305,120)	(305,120)
Transactions with owners in their capacity as owners	-	-	-	-
Balance at 31 December 2015	50,879,017	2,572,957	6,637,684	60,089,658
Balance at 1 July 2016	53,488,974	-	3,262,335	56,751,309
Total comprehensive income for the period	-	-	3,303,794	3,303,794
Subtotal	-	-	3,303,794	3,303,794
Transactions with owners in their capacity as owners				
Dividends paid	-	-	(1,378,113)	(1,378,113)
Shares issued under the Company's dividend reinvestment plan	370,844	-	-	370,844
Subtotal	370,844	-	(1,378,113)	(1,007,269)
Balance at 31 December 2016	53,859,818	-	5,188,016	59,047,834

This Statement of Changes in Equity should be read in conjunction with the Notes to the Financial Statements which follow.

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171
STATEMENT OF CASH FLOWS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

		Half-year ended 31 December	
	Note	2016	2015
		\$	\$
Cash flows from operating activities			
Dividends received		601,474	448,820
Interest received		280	20,263
Other income received		-	-
Income tax paid		(580,463)	-
Management fees paid		(292,585)	(334,294)
Interest paid		(24,922)	(72)
Other operating expenses		(246,083)	(167,318)
Net cash (outflow) from operating activities		(542,299)	(32,601)
Cash flows from investing activities			
Purchase of investments		(4,173,045)	(12,895,728)
Proceeds from sale of investments		6,299,422	6,629,087
Net cash inflow/(outflow) from investing activities		2,126,377	(6,266,641)
Cash flows from financing activities			
Dividend paid (net of Dividend reinvestment plan)		(1,007,269)	-
Net cash (outflow) from financing activities		(1,007,269)	-
Impact of exchange rate changes on cash and cash equivalents		176,323	(72,019)
Net increase/(decrease) in cash and cash equivalents		753,132	(6,371,261)
Cash and cash equivalents at the beginning of the period		(706,875)	12,585,659
Cash and cash equivalents at the end of the period	3	46,257	6,214,398

*This Statement of Cash Flows should be read in conjunction with
the Notes to the Financial Statements which follow.*

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016

1. Summary of significant accounting policies

PM Capital Asian Opportunities Fund Limited ("the Company") is a listed investment company incorporated in Australia. The company was registered on 20 March 2014. These general purpose financial statements are for the half-year ended 31 December 2016.

(a) Basis of preparation

These half-year financial statements are general purpose financial statements prepared in accordance with the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

This interim financial report does not include all the notes of the type normally included in an annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Company as the full financial statements. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2016 and any public announcements made by the Company during the half-year reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

(b) Accounting policies

The accounting policies applied in these interim financial statements are the same as those applied in the Company's financial statements as at and for the year ended 30 June 2016.

(c) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the half-year reporting period ended 31 December 2016. The assessment of the Directors of the Company is that these new standards and interpretations will have no material impact on the financial report of the Company.

2. Fair value measurement

The Company measures and recognises financial assets and liabilities held at fair value through profit or loss on a recurring basis.

The Company has no assets or liabilities measured at fair value on a non-recurring basis in the current reporting period.

AASB 13 *Fair Value Measurement* requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

(a) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and listed equity securities) are based on quoted market prices at the close of trading at the end of the reporting period without any deduction for estimated future selling costs.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

(b) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market are valued with reference to external third party pricing information. These assets and liabilities include: Currency forward contracts and debt securities.

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

2. Fair value measurement (continued)

(c) Recognised fair value measurements

The table below presents the Company's financial assets and liabilities measured and recognised at fair value at 31 December 2016 and 30 June 2016:

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
At 31 December 2016				
Financial assets at fair value through profit or loss:				
Listed securities	57,472,464	-	-	57,472,464
Convertible notes	200,000	-	-	200,000
Currency contracts	-	946,467	-	946,467
	57,672,464	946,467	-	58,618,931
Financial liabilities at fair value through profit or loss:				
Options	126,046	-	-	126,046
	126,046	-	-	126,046
At 30 June 2016				
Financial assets at fair value through profit or loss:				
Listed securities	56,070,321	-	-	56,070,321
Convertible notes	200,000	-	-	200,000
	56,270,321	-	-	56,270,321
Financial liabilities at fair value through profit or loss:				
Currency contracts	-	155,243	-	155,243
	-	155,243	-	155,243

(d) Transfer between levels

Management's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

There were no transfers between levels in the fair value hierarchy at the end of the reporting period.

(e) Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

3. Cash and cash equivalents and interest bearing liabilities

	As at 31 December 2016 \$	As at 30 June 2016 \$
<i>Cash and cash equivalents</i>		
Cash at bank (Custodian) - HKD	2,588,116	-
Cash at bank (Custodian) - USD	2,215,483	-
Cash at bank (Custodian) - other currencies	70,591	221,168
	<u>4,874,190</u>	<u>221,168</u>
<i>Interest bearing liabilities</i>		
Overdraft at Custodian	(4,827,933)	(928,043)
	<u>46,257</u>	<u>(706,875)</u>

Overdraft at Custodian is a cash facility offered by the Custodian. The Custodian in its role as Prime Broker has been granted a floating charge over the assets of the Company to secure any liabilities to the Prime Broker.

4. Share capital and share option reserve

Movements in share capital during the period are set out below:

	Half-year ended 31 December 2016 Number of shares	Year ended 30 June 2016 Number of shares	Half-year ended 31 December 2016 \$	Year ended 30 June 2016 \$
Shares on issue at beginning of the period	55,124,501	55,087,501	53,488,974	50,879,017
Shares issued and transfer from share option reserve on exercise of options	-	37,000	-	37,000
Reclassification from share option reserve on expiration of options	-	-	-	2,572,957
Shares issued under the Company's dividend reinvestment plan	413,723	-	370,844	-
Shares on issue at end of the period	<u>55,538,224</u>	<u>55,124,501</u>	<u>53,859,818</u>	<u>53,488,974</u>

Movements in share option reserve during the period are set out as below:

	Half-year ended 31 December 2016 Number of options	Year ended 30 June 2016 Number of Options	Half-year ended 31 December 2016 \$	Year ended 30 June 2016 \$
Options on issue at beginning of period	-	55,087,500	-	2,572,957
Options exercised, and related transfer to share capital	-	(37,000)	-	(1,752)
Reclassification to issued capital on expiration of options	-	(55,050,500)	-	(2,571,205)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

5. Segment information

The Company has only one reportable segment and one industry. It operates predominantly in Australia and in the securities industry (though most investments are in foreign jurisdictions). It earns revenue from dividend income, interest income and other returns from the investment portfolio. The Company invests in different types of securities, as detailed at Note 2 Fair value measurement.

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171
NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

6. Earnings per share

	Half-year ended 31 December	
	2016	2015
	\$	\$
Basic earnings/(loss) per share	5.97 cents	(0.55) cents
Diluted earnings/(loss) per share	5.97 cents	(0.55) cents
Reconciliation of earnings and weighted average number of shares used in calculating basic and diluted earnings per share:		
Earnings/(loss) used in calculating basic earnings per share	3,303,794	(305,120)
Earnings/(loss) used in calculating diluted earnings per share	3,303,794	(305,120)
Weighted average number of shares used in the calculation of basic earnings per share	55,318,928	55,087,501
Weighted average number of shares used in the calculation of diluted earnings per share	55,318,928	55,087,501

In the calculation of diluted earnings per share for the half-year ended 31 December 2015, options are not considered to have a dilutive effect, as the average market price of shares of the Company during the period did not exceed the exercise price of the options. There were no options outstanding during the half-year ended 31 December 2016.

7. Contingency - registered charge over assets

The Custodian has a charge over the assets of the Company.

The contractual credit risk of assets is represented by the net payments or receipts that remain outstanding, and the cost of replacing the derivative position in the event of a counterparty default. There are no financial assets that are past due or impaired as at balance date.

The Company has appointed Morgan Stanley & Co. International Plc ("Morgan Stanley") as both Prime Broker and Custodian to the Company. Morgan Stanley is subject to regulatory oversight and capital requirements imposed by the Financial Services Authority (UK) and, where applicable to its Australian operations, the Australian Securities and Investments Commission. As at the date of this report, Morgan Stanley has a credit rating of A+ (S&P) for long term and a rating of A-1 for short term debt.

The terms of the Prime Broker Agreement provide that Morgan Stanley may utilise custodial assets for its own lending and financing purposes (including to borrow, lend, charge, re-hypothecate, and dispose of) up to, but not exceeding, 180% of the value of the Company's outstanding liabilities with Morgan Stanley. These assets are owned by Morgan Stanley in its Prime Broker capacity. Under the terms of the Prime Broker Agreement, Morgan Stanley is obliged to return to the Company the equivalent custodial assets irrespective of what transpires between it and any third party with whom Morgan Stanley has transacted.

Cash holdings with Morgan Stanley are not subject to this arrangement and are always considered to be held by Morgan Stanley in its Prime Broker capacity.

All other custodial assets not subject to the Prime Broking arrangement are held by Morgan Stanley in its capacity as a Custodian in a separate asset pool, as is required by the Financial Services Authority (UK).

As at balance date, the maximum value of the Company's gross assets available to Morgan Stanley for its lending and financing activities is \$8,917,162 (June 2016: \$1,949,915). Under the Prime Broker arrangements in place, the amount does not require disclosure by Morgan Stanley. The maximum net exposure to the Prime Broking activities of Morgan Stanley, after offsetting the Company's outstanding liabilities with Morgan Stanley, approximates \$3,963,183 (June 2016: \$866,629) as at balance date. The credit position of the Company is monitored on an ongoing basis by the Investment Manager.

The credit position of the Company is monitored on an ongoing basis by the Investment Manager.

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED
ABN 15 168 666 171
DIRECTORS' DECLARATION
For the Half-Year Ended 31 December 2016

In the directors' opinion:

- (a) the financial statements and notes set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:
- (i) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the directors.



Brett Spork
Chairman

Sydney, NSW
23 February 2017

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED

ACN 168 666 171

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of PM Capital Asian Opportunities Fund Limited:

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of PM Capital Asian Opportunities Fund Limited ("the Company"), which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Half-Year Financial Report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Company's financial position as at 31 December 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of the Company, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

HLB Mann Judd (NSW Partnership) ABN 34 482 821 289

Level 19 207 Kent Street Sydney NSW 2000 Australia | Telephone +61 (0)2 9020 4000 | Fax +61 (0)2 9020 4190

Email: mailbox@hlbnsw.com.au | Website: www.hlb.com.au

Liability limited by a scheme approved under Professional Standards Legislation

PM CAPITAL ASIAN OPPORTUNITIES FUND LIMITED

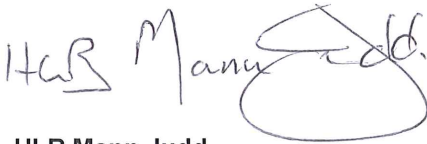
ACN 168 666 171

INDEPENDENT AUDITOR'S REVIEW REPORT (continued)

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of PM Capital Asian Opportunities Fund Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink, appearing to read 'HLB Mann Judd'.

HLB Mann Judd
Chartered Accountants

A handwritten signature in blue ink, appearing to read 'D K Swindells'.

D K Swindells
Partner

Sydney, NSW
23 February 2017