

26 February 2019

The Manager
ASX Market Announcements
Australian Securities Exchange
Exchange Centre
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Subject: Interim Results ending 31 December 2018, Dividend Announcement & Board Changes.

The Board of Contrarian Value Fund Limited (ASX: CVF) is pleased to release its Interim Financial Statements including Appendix 4D Results for the half-year ended 31 December 2018 along with an investor presentation.

A fully franked interim dividend of 2 cents per share has been declared and will be paid on the 2nd of May 2019. A review is currently underway as to the feasibility of paying a fully franked special dividend before 30 June 2019.

The Directors would also like to advise that Kevin Chin, a co-founder and major shareholder in CVF, who has served as Executive Chair since its IPO will step back into an Executive Director role. Kent Kwan, a co-founder of CVF and formerly a fund manager with J.P. Morgan Asset Management will become the Non-Executive Chair. Victoria Guy, who has also been on the CVF Board since its IPO will become the Non-Executive Vice Chair.

Sincerely,



Laura Newell
Company Secretary

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Contrarian Value Fund Limited
(ACN 602 250 644)

Interim Financial Statements
Including Appendix 4D Disclosures
For the half-year ended 31 December 2018

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Results for Announcement to the Market

Key Information	Change from previous corresponding period			Current Period A\$
Revenue from ordinary activities from continuing operations	Down	(108%)	to	(1,331,804)
Profit after tax from continuing operations attributable to members	Down	(115%)	to	(1,621,426)
Net profit for the half-year attributable to members	Down	(115%)	to	(1,621,426)

Dividends Paid and Proposed

Dividends	Amount per security	Franked amount per security
Final Dividend – 2018 (paid 5 October 2018)	0.045	0.045
Interim Dividend – 2019 (payable 2 May 2019)	0.020	0.020

Dividend Reinvestment Plan

CVF has adopted a Dividend Reinvestment Plan ('DRP').

The information on the DRP has been lodged with the ASX.

Earnings per Share

Earnings per ordinary fully paid share	Current Period	Previous Corresponding Period
<i>From continuing operations:</i>		
Basic EPS	(0.02) cents	15.43 cents
Diluted EPS	(0.02) cents	15.43 cents

Net Tangible Assets

NTA backing	31 December 2018	30 June 2018
Net tangible asset backing per ordinary security	1.1689 cents	1.3368 cents



Corporate Directory

Directors	Kevin Chin (Chairman) Kien Khan (Kent) Kwan John Moore AO Victoria Guy
Company Secretary	Laura Newell
Principal registered office in Australia	Level 11, 153 Walker Street North Sydney NSW 2060
Investment Manager	ACVF Management Pty Ltd Level 11, 153 Walker Street North Sydney NSW 2060
Share Registry	Boardroom Pty Limited Level 12, 225 George Street Sydney, NSW 2000
Auditor	PKF Brisbane Audit Level 6, 10 Eagle Street Brisbane QLD 4000
Legal Adviser	Watson Mangioni Lawyers Pty Limited Level 13, 50 Carrington Street Sydney NSW 2000
Stock Exchange	Australian Securities Exchange CVF – Ordinary Shares
Website	www.contrarianvaluefund.com



Contrarian Value Fund Limited

ACN 602 250 644

Directors' Report and Financial Statements for the half-year ended 31 December 2018

Directors' Report

The Directors of Contrarian Value Fund Limited (the Company), present their report together with the financial statements of the Company for the half-year ended 31 December 2018 ("the reporting period").

Directors

The names of directors in office at any time during the half-year or since the end of the half-year are:

Kevin Chin (Chairman);

John Moore AO (Non-Executive Director);

Victoria Guy (Non-Executive Director);

Gary Hui (Director) (resigned 22/11/2018); and

Kien Khan (Kent) Kwan (Non-Executive Director).

Directors have been in office since the start of the half-year to the date of this report unless otherwise stated.

Review and results of operations

The Company continues investment of funds in accordance with its governing documents.

The most appropriate measure of the Company's financial performance is Profit/(Loss) after income tax. Profit/(Loss) after income tax includes the profit after tax and after recognising fair value gain/(loss) on the Company's investments.

The Company's loss before income tax for the half-year ended 31 December 2018 was \$2,428,649 (2017: profit \$15,046,022). The loss after income tax for the half-year ended 31 December 2018 was \$1,621,426 (2017: profit of \$10,669,487), reflecting a loss on stocks selected and held in the portfolio over the period.

Basic earnings per share after income tax was (0.02) cents (2017: 15.43 cents) for the reporting period.



For the reporting period ended 31 December 2018

	\$
Loss before income tax expense	(2,428,649)
Income tax benefit	807,223
Loss after income tax attributable to the owners of the Company	(1,621,426)
Weighted average number of shares	70,024,745

Reconciliation of net tangible assets used in calculation of net tangible assets per ordinary share for ASX reporting

As at 31 December 2018

	\$
Net assets per financial statements	83,372,323
(Less)/ Add net position of deferred tax asset/liabilities	710,165
<i>Net tangible assets per financial statement</i>	84,082,488
Expected costs to be incurred in realising proceeds of asset disposals (non-IFRS)	(1,777,144)
Net tangible assets before providing for estimated tax associated with unrealised portfolio position	82,305,344
Provision for estimated tax on unrealised gains (non -IFRS)	(549,906)
<i>Net tangible assets for ASX reporting</i>	81,755,438
 <i>Number of ordinary shares on issue at reporting date</i>	 70,413,825

Net Tangible Assets Backing (NTA) per share

As at 31 December 2018

	Chapter 19 NTA reporting \$/share	IFRS NTA Reporting \$/share
NTA per share, before providing for estimated tax associated with unrealised portfolio positions (\$/share)	1.1689	1.1689
NTA per share, after providing for estimated tax associated with unrealised portfolio positions (\$/share)	1.1611	1.1689

Dividends

\$0.045 cents dividend was declared and paid during the reporting period.

Options

There are no options on issue and outstanding at 31 December 2018.



On-market share buyback

During the half-year, the Company cancelled NIL shares (2017: 1,024,552) at a cost of NIL (2017: \$1,032,011) under share buyback. The on-market share buyback remains available and will be implemented in circumstances where the Directors feel it is in the interests of shareholders to do so.

Significant changes in state of affairs

There were no significant changes in the state of affairs during the reporting period.

Events occurring after the reporting period

No matters or circumstances have arisen since 31 December 2018 that have significantly affected, or may significantly affect:

- a) the Company's operations in future reporting periods; or
- b) the results of those operations in future reporting periods; or
- c) the Company's state of affairs in future reporting periods.

Auditor's independence declaration

The lead Auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 8 for the half-year ended 31 December 2018.

Signed for, and on behalf of, the Board in accordance with a resolution of the Directors made pursuant to s. 306(3) of the *Corporations Act 2001*.



Kevin Chin
Chairman

Sydney, 25 February 2019



AUDITOR'S INDEPENDENCE DECLARATION
UNDER SECTION 307C OF THE CORPORATIONS ACT 2001
TO THE DIRECTORS OF CONTRARIAN VALUE FUND

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2018, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

25 FEBRUARY 2019
BRISBANE

Statement of Profit or Loss and Other Comprehensive Income

	Note	31 Dec 2018 \$	31 Dec 2017 \$
Revenue from ordinary activities			
Interest income		126,755	110,062
Dividend income		272,164	509,261
Fair value gains/ (losses) on financial assets held at fair value through profit or loss	3	(2,702,713)	16,748,659
Total revenue/(loss)		(2,303,794)	17,367,982
Other gains/(expenses) - Gain/ (loss) on foreign exchange			
		971,990	(362,208)
Expenses			
Management fees, (and estimated performance fees)		(596,480)	(1,759,166)
Directors' fees		(57,777)	(46,125)
Professional fees		(106,511)	(36,044)
Compliance and governance expenses		(139,990)	(98,344)
Other expenses		(196,087)	(20,073)
Total expenses		(1,096,845)	(1,959,752)
Profit/ (loss) before income tax expense		(2,428,649)	15,046,022
Income tax (expense)/benefit		807,223	(4,376,535)
Profit/(loss) after income tax for the period attributable to the owners of the Company		(1,621,426)	10,669,487
Other comprehensive income for the period attributable to the owners of the Company		-	-
Total comprehensive income for the period, net of tax attributable to the owners of the Company		(1,621,426)	10,669,487
Earnings per share for profit/(loss) after income tax attributable to the owners of the ordinary shares of the Company			
Basic (cents per share)		(0.02)	15.43
Diluted (cents per share)		(0.02)	15.43

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.



Statement of Financial Position

	Note	31 Dec 2018 \$	30 June 2018 \$
Assets			
Current assets			
Cash and cash equivalents		62,851,105	32,456,373
Receivables		9,768	538,253
Current tax asset		3,869	-
Total current assets		62,864,742	32,994,626
Non-current assets			
Financial assets held at fair value through profit or loss	4 (a)	32,142,297	77,508,258
Total non-current assets		32,142,297	77,508,258
Total assets		95,007,039	110,502,884
Liabilities			
Current liabilities			
Payables		137,569	5,212,873
Financial liabilities held at fair value through profit or loss	4 (b)	8,221,834	8,652,186
Income tax payable		2,565,148	3,337,140
Total current liabilities		10,924,551	17,202,199
Non-current liabilities			
Deferred tax assets and liabilities - net		710,165	6,040,153
Total non-current liabilities		710,165	6,040,153
Total liabilities		11,634,716	23,242,352
Net assets		83,372,323	87,260,532
Equity			
Contributed equity		69,162,563	68,294,100
Retained profits		8,969,844	13,726,516
Dividend distribution reserve		5,239,916	5,239,916
Total equity		83,372,323	87,260,532

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



Statement of Changes in Equity

	Contributed equity \$	Retained profits \$	Dividend distribution reserve \$	Total equity \$
Balance at 1 July 2017	67,881,687	3,247,750	-	71,129,437
Profit after tax for the reporting period attributable to the owners of the Company	-	10,669,487	-	10,669,487
Other comprehensive income	-	-	-	-
Total comprehensive income for the reporting period attributable to the owners of the Company	-	10,669,487	-	10,669,487
Transactions with owners in their capacity as owners:				
Contributed equity (net of transaction costs and taxes)	656,357	-	-	656,357
On-market share buyback	(1,032,011)	-	-	(1,032,011)
Dividend paid	-	(2,427,842)	-	(2,427,842)
Balance at 31 December 2017	67,506,033	11,489,395	-	78,995,428
Balance at 1 July 2018	68,294,100	13,726,516	5,239,916	87,260,532
Profit/(loss) after tax for the reporting period attributable to the owners of the Company	-	(1,621,426)	-	(1,621,426)
Other comprehensive income	-	-	-	-
Total comprehensive income for the reporting period attributable to the owners of the Company	-	(1,621,426)	-	(1,621,426)
Transactions with owners in their capacity as owners:				
Contributed equity (net of transaction costs and taxes) (DRP net of share buyback)	868,463	-	-	868,463
Dividend paid	-	(3,135,246)	-	(3,135,246)
Balance at 31 December 2018	69,162,563	8,969,844	5,239,916	83,372,323

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.



Statement of Cash Flows

	31 Dec 2018 \$	31 Dec 2017 \$
<i>Cash flows from operating activities</i>		
Proceeds from sale of financial assets held at fair value through profit or loss	51,019,915	28,325,625
Payments for purchase of financial assets held at fair value through profit or loss	(8,569,096)	(38,020,764)
Net payments on foreign exchange activities	270,524	-
Interest received	131,755	110,062
Dividends received	306,614	509,109
Custody fees paid	(41,329)	(35,765)
Payment of other operating expenses	(5,859,708)	(542,174)
Income tax paid	(5,298,626)	(1,321,053)
Net cash inflow/(outflow) from operating activities	31,960,049	(10,974,960)
<i>Cash flows from investing activities</i>		
On-market share buy-back	-	(1,032,011)
Proceeds from dividend reinvestment plan	868,463	656,357
Payments of dividend	(3,135,246)	(2,427,843)
Net cash (outflow) from investing activities	(2,266,783)	(2,803,497)
<i>Net increase/(decrease) in cash and cash equivalents</i>	<i>29,693,266</i>	<i>(13,778,457)</i>
Cash and cash equivalents at beginning of the period	32,456,373	38,819,563
Effect of foreign currency translation	701,466	(366,679)
Cash and cash equivalents at end of the period	62,851,105	24,674,427

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.



1. General information

The financial statements cover Contrarian Value Fund Limited (the "Company") as an individual entity.

The Company was admitted to the official list of ASX Limited on 2 January 2015 and official quotation of the Company's securities commenced on 5 January 2015. The amount raised from the initial public offering is invested in listed securities and cash. ACVF Management Pty Ltd (Manager) is the Investment Manager of the Company. The Company has no employees other than Non-Executive Directors.

The Company is incorporated and domiciled in Australia.

The financial statements are presented in Australian currency.

The financial statements were authorised for issue by the directors on 25 February 2019. The directors of the Company have the power to amend and reissue the financial statements.

2. Summary of significant accounting policies

(a) Basis of preparation

These general purpose interim financial statements for the half-year reporting period ended 31 December 2018 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*. The Company is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Contrarian Value Fund Limited. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Company. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Company for the year ended 30 June 2018, together with any public announcements made during the following half-year.

(b) Accounting policies

Except as disclosed below, the accounting policies in this interim financial report are the same as those applied in the most recent annual financial statements.

(i) AASB 9: *Financial Instruments (and applicable amendments)*

AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities. It has now also introduced revised rules around hedge accounting and impairment. The adoption of the amendment does not have a significant impact on the recognition, classification and measurement of the Company's financial instruments as they are carried at fair value through profit or loss. The derecognition rules have not changed from the previous requirements, and the Company does not apply hedge accounting. AASB 9 introduces a new impairment model.

The Directors of the Company have made an assessment and determined that the standard does not have a significant impact on the recognition and measurement of the Company's financial instruments as they are held at fair value through profit and loss. The de-recognition rules have not been changed from previous requirements and the Company do not apply hedge accounting.



(ii) *AASB 15: Revenue from Contracts with Customers*

AASB 15 replaces AASB 118 Revenue which covers contracts for goods and services and AASB 111 Construction Contracts which covers construction contracts. AASB 15 is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards.

The Company's main sources of income are interest, dividends and gains on financial instruments held at fair value. All of these are outside the scope of the new revenue standard. As a consequence, management has assessed the impact and determined that adoption of the new revenue recognition rules do not have a significant impact on the Company's accounting policies, or the amounts recognised in the financial statements.

Critical accounting estimates and judgments

All critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2018 annual report, except in relation to the matter discussed below.

Key estimates – Performance fees The investment management agreement between the Company and its Investment Manager provides for payment of a 'Performance Fee' in circumstances where the increase in the value of the Portfolio exceeds a defined hurdle over a performance calculation period. The determination of the amount of the performance fee, if any, is measured at 30 June annually. The Company uses judgement and estimates to determine the appropriate accrual of estimated performance fee payable at 31 December and includes the resulting amount in the financial statements for the period then ended. At 31 December 2018 NIL (2017: \$1,357,828) has been provided for performance fees which may become payable at 30 June 2019.

3. Net fair value gains/(losses) on financial instruments held at fair value through profit or loss

Net gains/(losses) recognised in relation to financial assets and financial liabilities held at fair value through profit or loss:

	31 Dec 2018	31 Dec 2017
	\$	\$
Fair value gains/(losses) on financial assets held at fair value through profit or loss	(2,702,713)	16,748,659

4. Financial assets and liabilities held at fair value through profit or loss

(a) Financial assets held at fair value through profit and loss

	31 Dec 2018	30 June 2018
	\$	\$
Designated at fair value through profit or loss		
Investment in listed securities at fair value through profit or loss	32,142,297	77,508,258



(b) Financial liabilities held at fair value through profit and loss

	31 Dec 2018 \$	30 June 2018 \$
Designated at fair value through profit or loss		
Financial liabilities on borrowed listed securities held at fair value through profit or loss	8,221,834	8,652,186

5. Operating segment information

The Company operates only in the investment industry in Australia and has no reportable business or geographic segments.

6. Events occurring after the reporting period

No matters or circumstances have arisen since 31 December 2018 that have significantly affected, or may significantly affect:

- a) the Company's operations in future reporting periods; or
- b) the results of those operations in future reporting periods; or
- c) the Company's state of affairs in future reporting periods.

7. Contingent assets and liabilities and commitments

There are no outstanding commitments, contingent assets or liabilities as at 31 December 2018.



Directors' Declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 15 are in accordance with the *Corporations Act 2001*, and:
 - (i) Complying with Australian Accounting Standard AASB 134 – *Interim Financial Reporting* and the *Corporations Regulations 2001*;
 - (ii) Giving a true and fair view of the Company's financial position as at 31 December 2018 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date.
- (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.



Kevin Chin
Chairman

Sydney, 25 February 2019

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF CONTRARIAN VALUE FUND

Conclusion

We have reviewed the accompanying half-year financial report of Contrarian Value Fund ("the company"), which comprises the statement of financial position as at 31 December 2018, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes, and the directors' declaration.

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 Contrarian Value Fund 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 2018, and of its financial performance for the half-year ended on that date; and
- (b) complying with the Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. In accordance with the *Corporations Act 2001*, we have given the directors of the company a written Auditor's Independence 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 the Australian Accounting Standards and the *Corporations Regulations 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that 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 2018 and its performance for the half year ended on that date, and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Contrarian Value Fund, 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.

PKF

PKF BRISBANE AUDIT



SHAUN LINDEMANN
PARTNER

25 FEBRUARY 2019
BRISBANE