ACN 606 683 729 Level 11, 179 Elizabeth Street SYDNEY NSW 2000

17 February 2017

Company Announcements Office ASX Limited Level 4, Exchange Centre 20 Bridge St SYDNEY NSW 2000

HALF-YEAR RESULTS

Ellerston Asian Investments Limited (ASX: EAI) hereby lodges:

- 1. Appendix 4D Statement for the half year ended 31 December 2016; and
- 2. Interim Financial Report for the half year ended 31 December 2016.

Yours sincerely

Ian Kelly

Company Secretary Phone: 02 9021 7731 Half Year Report

ACN 606 683 729

1. Details of the reporting period.

Current Period: 1 July 2016 to 31 December 2016

Previous Corresponding Period: 25 June 2015 (incorporation date) to 31 December 2015

2. Results for announcement to the market

		Current period AUD (\$)	% Change from the corresponding period
2.1	Revenue from ordinary activities	4,283,993	363%
2.2	Profit/(loss) after tax from ordinary activities	1,926,333	3929%
2.3	Net profit/(loss) after tax for the period attributable to ordinary shareholders	1,926,333	3929%

Period	EAI NTA Return pre-tax*	MSCI AC Asia Ex- Japan Index (AUD) Return
6 Months	2.71%	5.01%
1 year	-1.34%	3.37%
Since Inception	-1.41%	3.26%

^{*} Calculated based on compounded growth in monthly NTA, net of expenses, before tax and inclusive of the effects of the share buy back..

No dividend for the period has been declared or made.

3. Net tangible assets (NTA) per ordinary share

	Current period AUD (\$)	Previous corresponding period AUD (\$)
NTA – before tax	0.9573	0.9704
NTA – after tax	0.9705	0.9793



Half Year Report

Ellerston Asian Investments Limited

ACN 606 683 729

4. Control gained or lost over entities during the period

N/A

5. Details of associates and joint venture entities

The Company did not have any interest in any associates or joint venture entities during both the current period and the previous corresponding period.

6. Accounting standards used by foreign entities

N/A - The Company is an Australian Entity.

7. Qualification of audit / review

The interim report for the period ended 31 December 2016 is not subject to audit dispute or qualification.

Ian Kelly Company Secretary

17 February 2017

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Ellerston Asian Investments Limited

ASX: EAI ABN 82 606 683 729

ABN 82 606 683 729

Interim Report

For the half-year ended 31 December 2016

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The interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, the report is to be read in conjunction with the annual report for the period ended 30 June 2016 and any public announcements made by Ellerston Asian Investments Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act* 2001.



The directors of Ellerston Asian Investments Limited (the "Company") present their report together with the financial statements of the Company for the period ended 31 December 2016.

Directors

The following persons were directors of the Company during the period and up to the date of this report:

NAME	DIRECTORSHIP	APPOINTED
Ashok Jacob	Non-Independent Chairman	27 July 2015
Sam Brougham	Independent Non-Executive Director	23 July 2015
Paul Dortkamp	Independent Non-Executive Director	25 June 2015
Stuart Roberston	Independent Non-Executive Director	25 June 2015

Company Secretary

The following person was Company Secretary during the period and up to the date of this report:

NAME	APPOINTED
lan Kelly	25 June 2015

Principal activities

The principal activity of the Company is to invest into a concentrated portfolio of between 20 to 40 Asian securities.

Review and results of operations

The operating results of the Company for the half-year ended on 31 December 2016 and 31 December 2015 are:

		From 25 June
		2015 (date of
	Half-year ended	incorporation)
	31 December	to 31 December
	2016	2015
	\$	\$
Net profit/(loss) before income tax	2,797,983	(71,540)
Net profit/(loss) after income tax	1,926,333	(50,314)

	As of	
	31 December	31 December
	2016	2015
	\$	\$
Net tangible assets per share (NTA)		
before tax	0.9573	0.9704
Net tangible assets per share (NTA)		
– after tax	0.9705	0.9793

For the 12 month period to 31 December 2016, the Company returned -1.34% on a pre-tax basis and -0.90% on a post-tax basis, while the return of its benchmark MSCI AC Asia Ex-Japan Index (AUD) was 3.37%.

For the half-year to 31 December 2016, the Company returned 2.71% (December 2015: -0.06%) on a pre-tax basis and 1.92% (December 2015: -0.04%) on a post-tax basis, while the return of its benchmark MSCI AC Asia Ex-Japan Index (AUD) was 5.01% (December 2015: -0.43%).

On 13 September 2016, the Company announced an on-market share buy-back of up to 10% of its issued ordinary shares. As at 31 December 2016, the Company has bought back 2,302,671 shares in total, approximately 1.92% of its issued ordinary shares. Please refer to Note 9 Issued Capital for further details.

Strategy and future outlook

The Company predominantly invests in equities, with a focus on Asian domiciled companies. The Company will continue to pursue its objective of generating superior returns for shareholders over time, with a focus on risk management and capital preservation.

Dividends

The Company has not declared any dividends for the period ended 31 December 2016.

Significant changes in the state of affairs

In the opinion of the directors, other than what is noted in the 'Review and results of operations,' there were no other significant changes in the state of affairs of the Company that occurred during the period ended 31 December 2016.

Matters subsequent to the end of the interim period

No matter or circumstance has arisen since 31 December 2016 that has significantly affected, or may significantly affect:

- (i) the operations of the Company in future financial years, or
- (ii) the results of those operations in future financial years, or
- (iii) the state of affairs of the Company in future financial years.

Likely developments and expected results of operations

The Company provides quarterly updates and monthly NTA announcements, which can be found in the announcements section of the ASX website and in the Ellerston Global Investments Limited section of the Ellerston Asian Investments (EAI) website, https://ellerstoncapital.com/ellerston-asian-investments-eai/.

As markets continue to be subject to fluctuations, it is neither possible to accurately forecast the investment returns of the Company nor to provide a detailed outlook on the Company's future operations.

Rounding of amounts to the nearest dollar

The Company is an entity of a kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 issued by the Australian Securities and Investments Commission (ASIC) relating to the "rounding off" of amounts in the Directors' report. Amounts in the Directors' report have been rounded to the nearest dollar in accordance with that ASIC Corporations Instrument, unless otherwise indicated.

Auditor's independence declaration

The auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is included on page 7.

Signed in accordance with a resolution of the directors.

Ashok Jacob

Chairman

17 February 2017

Auditor's Independence Declaration



Ernst & Young 200 George Street Sydney NSW 2000 Australia GPO Box 2646 Sydney NSW 2001 Tel: +61 2 9248 5555 Fax: +61 2 9248 5959 ey.com/au

Auditor's Independence Declaration to the Directors of Ellerston Asian Investments Limited

As lead auditor for the review of Ellerston Asian Investments Limited for the half-year ended 31 December 2016, I declare to the best of my knowledge and belief, 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.

Ernst & Young

Ad: Der

Ernst & Young

Rohit Khanna Partner Sydney

17 February 2017



Statement of comprehensive income

For	the	nalt-	-year	endec	131	Decemb	er 2016
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			From 25 June 2015 (date of
		Half-year ended 31 December 2016	incorporation) to 31 December 2015
	Notes	\$	\$
Investment income			
Interest income		287,603	271,726
Dividend income		665,458	5,447
Net foreign exchange gains/(losses)		50,778	108,255
Change in fair value of financial instruments held at fair value through profit or loss		3,280,154	540,036
Total investment income/(loss)	_	4,283,993	925,464
Expenses			
Directors fees		45,375	47,986
Management and performance fees	12	504,113	596,761
Custody and administration fees		43,306	28,871
Audit and tax fees		27,418	23,100
Registry fees		25,625	17,083
Transaction costs		693,995	246,544
Withholding taxes		87,590	_
ASX fees		49,500	33,000
Other expenses		9,088	3,659
Total operating expenses		1,486,010	997,004
Net profit/(loss) before income tax		2,797,983	(71,540)
Income tax expense/(benefit)		871,650	(21,226)
Net profit/(loss) after income tax		1,926,333	(50,314)
Other comprehensive income/(loss)		_	_
Total comprehensive income/(loss)		1,926,333	(50,314)
Basic earnings/(losses) per share (cents per share)	10	1.61	(0.04)
Diluted earnings/(losses) per share (cents per share)	10	1.61	(0.04)

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position As at 31 December 2016

		As a	t
		31 December	30 June
	Notes	2016 \$	2016
	Notes	3	\$
Current assets			
Cash and cash equivalents	8	26,625,760	25,918,282
Receivables		50,800	276,160
Due from brokers		15,986,522	22,296,152
Financial assets held at fair value		70.004.111	04 000 010
through profit or loss	6	70,684,111	64,399,212
Total current assets		113,347,193	112,889,806
Non-current assets			
Deferred tax asset		1,552,437	2,424,087
Total non-current assets		1,552,437	2,424,087
Total assets		114,899,630	115,313,893
Current liabilities			
Payables		120,566	132,108
Management and performance fees payable	12	82,323	78,927
Due to brokers		102,490	_
Financial liabilities held at fair value through profi			
or loss	7	370,784	834,571
Total current liabilities		676,163	1,045,606
Total liabilities		676,163	1,045,606
Net assets		114,223,467	114,268,287
Equity			
Issued capital	9	115,589,830	117,560,983
Retained earnings/(losses)		(1,366,363)	(3,292,696)
Total equity		114,223,467	114,268,287

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity For the period ended 31 December 2016

	Notes	Issued capital \$	Retained earnings/ (losses) \$	Dividend profit reserve	Total \$
Balance as at 1 July 2016		117,560,983	(3,292,696)	_	114,268,287
Total comprehensive income/(loss) for the period		_	1,926,333	_	1,926,333
Shares bought back		(1,971,153)	_	-	(1,971,153)
Balance as at 31 December 2016	9	115,589,830	(1,366,363)	-	114,223,467
Balance as at 1 July 2015		_	_	_	_
Total comprehensive income/(loss) for the period		_	(50,314)	-	(50,314)
Shares issued under the Prospectus dated 21 August 2015		120,000,001	_	_	120,000,001
Capital raising costs		(3,484,311)	_	_	(3,484,311)
Capital raising costs – tax effect		1,045,293	_	_	1,045,293
Balance as at 31 December 2015	9	117,560,983	(50,314)	-	117,510,669

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows For the period ended 31 December 2016

		Half-year ended 31 December 2016	From 25 June 2015 (date of incorporation) to 31 December 2015
	Notes	\$	\$
Cash flows from operating activities			
Purchase of financial instruments held at fair value through profit or loss		(102,368,324)	(82,506,772)
Proceeds from sale of financial instruments held at fair value through profit or loss		99,049,386	15,500,520
Amounts transferred from/(to) collateral		6,309,630	(22,586,621)
Dividend income received		805,135	5,447
Interest received		289,664	271,726
Management and performance fees paid		(500,717)	(132,063)
Custody and administration fees paid		(53,932)	_
Payment of other expenses		(855,885)	(376,471)
Net cash inflow/(outflow) from operating activities		2,674,957	(89,824,234)
Cash flows from financing activities			
Issue of shares		_	120,000,001
Shares bought back		(1,971,153)	_
Capital raising costs		_	(3,484,311)
Net cash inflow/(outflow) from financing activities		(1,971,153)	116,515,690
Net increase/(decrease) in cash and cash equivalents		703,804	26,691,456
Cash and cash equivalents at the beginning of the half-year/period		25,918,282	_
Effect of foreign currency exchange rate changes on cash and cash equivalents		3,674	(93)
Cash and cash equivalents at the end of the half-year/period	8	26,625,760	26,691,363
Non-cash financing activities Reinvestment of shareholder dividends			

The above statement of cash flows should be read in conjunction with the accompanying notes.

Contents of the notes to the financial statements

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Notes to the financial statements

For the period ended 31 December 2016

1 General information

This interim report is for Ellerston Asian Investments Limited (the "Company") for the period ended 31 December 2016.

The Company was incorporated and registered on 25 June 2015 and commenced trading on the Australian Stock Exchange ("ASX") on 15 September 2015.

The Company is a for-profit entity limited by shares, incorporated and domiciled in Australia. Its shares (ASX code: EAI) and options (ASX code: EAIO) are publicly traded on the ASX.

This interim report was authorised for issue by the directors on 17 February 2017. The directors have the power to amend and reissue the interim report.

2 Summary of significant accounting policies

(a) Basis of preparation

This half-yearly interim report as at 31 December 2016 is a general purpose financial report and has been prepared in accordance with the *Corporations Act 2001*, AASB 134: Interim Financial Reporting and other applicable disclosure requirements. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: Interim Financial Reporting.

The interim financial report has also been prepared on a historical cost basis, except for financial assets and financial liabilities held at fair value through profit or loss, that have been measured at fair value. This interim report is presented in Australian dollars, unless otherwise noted.

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim report is to be read in conjunction with the Company's annual report for the period ended 30 June 2016 and public announcements made in respect of the Company during the period ended 31 December 2016 in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

2 Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

The Company is a for-profit entity for the purpose of preparing interim financial statements.

(b) Changes in accounting standards

The significant accounting policies adopted in the preparation of these interim financial statements are consistent with those applied in the preparation of the Company's financial statements for the year ended 30 June 2016.

(c) Critical accounting estimates and judgements

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectation of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances, but which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying values of assets and liabilities. As such, actual results could differ from those estimates.

Notes to the financial statements

For the period ended 31 December 2016

3 Dividends

No dividends were declared, paid or payable for the half-year ended 31 December 2016 and 31 December 2015.

Dividend profit reserve

To the extent that any current period profits or prior period accumulated profits are not distributed as dividends, the Company may set aside some or all of the undistributed profits to a separate dividend profit reserve, to facilitate the payment of future dividends, rather than maintaining these profits within retained earnings.

Dividend Reinvestment Plan

The Company has established a Dividend Reinvestment Plan (DRP) under which eligible shareholders may elect to have all or part of their dividend entitlements satisfied by the issue of ordinary shares rather than by being paid in cash.

4 Segment information

A business segment is identified for a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different to those of other business segments. A geographical segment is identified when products or services are provided within a particular economic environment subject to risks and returns that are different from those of segments operating in other economic environments.

The Company operates in one business segment being equity investment, and in one geographic segment, Australia, however the Company has foreign exposures as it invests in companies which operate internationally.

5 Fair value measurement

The Company measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Financial assets designated at fair value through profit or loss (see note 6)
- Financial assets/liabilities held for trading (see note 6 and 7)
- Derivative financial instruments

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 hierarchy;

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

(i) Fair value in an active market (level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. Financial assets and liabilities are priced at last traded prices.

The Company values its investments in accordance with the accounting policies set out in note 2 to the annual financial statements. For the majority of its investments, the Company relies on information provided by independent pricing services for the valuation of its investments which represents quoted prices in the active markets.

Notes to the financial statements

For the period ended 31 December 2016

5 Fair value measurement (continued)

(i) Fair value in an active market (level 1) (continued)

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.

(ii) 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 is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

For other pricing models, inputs are based on market data at the end of the reporting period. Fair values for unquoted equity investments are estimated, if possible, using applicable price/ earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

5 Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

The fair value of derivatives that are not exchange traded is estimated at the amount that the Company would receive or pay to terminate the contract at the end of the reporting period taking into account current market conditions (volatility and appropriate yield curve) and the current creditworthiness of the counterparties. The fair value of a forward contract is determined as a net present value of estimated future cash flows, discounted at appropriate market rates as at the valuation date.

Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions.

The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Company holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including liquidity risk and counterparty risk.

5 Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

Recognised fair value measurement

The table below sets out the Company's financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy as at 31 December 2016 and 30 June 2016.

As at	Level 1	Level 2	Level 3	Total
31 December 2016	\$	\$	\$	\$
Financial assets				
Financial assets designated at fair value:				
Equity securities	69,899,673	_	_	69,899,673
Financial assets held for trading:				
Derivatives	182,720	601,718	_	784,438
Total financial assets	70,082,393	601,718	-	70,684,111
Financial liabilities				
Financial liabilities held for trading:				
Derivatives	_	370,784	_	370,784
Total financial liabilities	_	370,784	_	370,784

5 Fair value measurement (continued)

(ii) Fair value in an inactive or unquoted market (level 2 and level 3) (continued)

Recognised fair value measurement (continued)

As at	Level 1	Level 2	Level 3	Total
30 June 2016	\$	\$	\$	\$
Financial assets				
Financial assets designated at fair value:				
Equity securities	63,491,611	_	_	63,491,611
Financial assets held for trading:				
Derivatives	-	907,601	-	907,601
Total financial assets	63,491,611	907,601	-	64,399,212
Financial liabilities				
Financial liabilities held for trading:				
Derivatives	_	834,571	_	834,571
Total financial liabilities	-	834,571	-	834,571

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

(i) Transfers between levels

There were no transfers between levels in the fair value hierarchy for the period ended 31 December 2016 and 30 June 2016.

Notes to the financial statements For the period ended 31 December 2016

5 Fair value measurement (continued)

(ii) Fair value measurements using significant unobservable inputs (level 3)

> There were no investments classified as level 3 within the Company as at 31 December 2016 and 30 June 2016.

Fair values of other financial instruments (iii)

> Due to their short-term nature, the carrying amounts of cash and cash equivalents, receivables and payables are assumed to approximate fair value.

6 Financial assets held at fair value through profit or loss

	As at	
	31 December 2016	30 June 2016
	\$	\$
Designated at fair value through profit or loss		
Equity securities	69,899,673	63,491,611
Total designated at fair value through		
profit or loss	69,899,673	63,491,611
Held for trading		
Derivatives	784,438	907,601
Total held for trading	784,438	907,601
Total financial assets held at fair		
value through profit or loss	70,684,111	64,399,212

6 Financial assets held at fair value through profit or loss (continued)

Details of the Company's top 10 equity and listed unit trust investments as at 31 December 2016 and 30 June 2016 are set out on the following table:

	As at 31 Dece	ember 2016
	Market	Fair
Name of investments	exposure	value
Name of investments	\$	\$
Samsung	7,252,771	7,252,771
China Petroleum + Chemicals	4,996,389	4,996,389
Infosys Ltd	4,626,851	4,626,851
TSMC	4,580,856	4,580,856
Naver Corp	4,430,760	4,430,760
Dbs Group Holdings Ltd	4,375,996	4,375,996
Tencent	4,054,823	4,054,823
Bumrungrad Hospital	3,943,830	3,943,830
Maruti Suzuki India Ltd	3,572,009	3,572,009
Oversea Chinese Banking Corp	3,538,643	3,538,643
Total – top 10 investments	45,372,928	45,372,928
Other investments	27,073,073	25,032,067
Total Investments	72,446,001	70,404,995
Foreign currency contracts		(91,668)
Total fair value of investments (Note 6 and Note 7)*		70,313,327
*Note 6 – Total financial assets held at fair value through profit or loss		70,684,111
Note 7 – Total financial liablilities held at fair value through profit or loss		(370,784)
Total fair value of investments (Note 6 and Note 7)		70,313,327

Notes to the financial statements For the period ended 31 December 2016

6 Financial assets held at fair value through profit or loss (continued)

	As at 30 J	une 2016
	Market	Fair
	exposure	value
Name of investments	\$	\$
Ping An Insurance	5,131,454	5,131,454
Tencent	5,030,062	5,030,062
China Petroleum & Chemicals	4,944,111	4,944,111
Samsung	4,486,004	4,486,004
AIA	4,332,848	4,332,848
Hong Kong Exchanges + Clear	4,306,321	4,306,321
Largan	4,291,207	4,291,207
TSMC	4,126,761	4,126,761
Housing Development Finance Company (a)	4,126,598	(205,493)
Ultratech Cement (a)	3,932,799	1,759
Total – top 10 investments	44,708,165	36,445,034
Other investments excluding foriegn currency		
contracts	51,258,974	27,116,413
Total investments excluding foriegn currency		
contracts	95,967,139	63,561,447
Foriegn currency contracts		3,194
Total fair value of investments		
(Note 6 and Note 7)*		63,564,641
*Note 6 - Total financial assets held at fair		
value through profit or loss		64,399,212
Note 7 – Total financial liablilities held at fair		
value through profit or loss		(834,571)
Total fair value of investments		
(Note 6 and Note 7)		63,564,641

6 Financial assets held at fair value through profit or loss (continued)

The top 10 investments which are listed above are based on the market exposure of the financial instruments, including both equity securities and equity swaps.

(a) Market exposure on equity swaps represents the notional shares of the underlying equity multiplied by the price of the underlying equity as at 31 December 2016 and 30 June 2016.

7 Financial liabilities held at fair value through profit or loss

	As at	
	31 December 2016 \$	30 June 2016 \$
Held for trading		
Derivatives	370,784	834,571
Total held for trading	370,784	834,571
Total financial liabilities held at fair value through profit or loss	370,784	834,571

8 Cash and cash equivalents

	As at	
	31 December 2016 \$	30 June 2016 \$
Cash at bank	26,625,760	25,918,282
Total cash and cash equivalents	26,625,760	25,918,282

These accounts earned a floating interest rate of between 0.01% pa (June 2016: 0.01% pa) and 1.95% pa (June 2016: 2.20% pa) during the reporting period.

Notes to the financial statements For the period ended 31 December 2016

9 Issue	d capital
---------	-----------

	As at 31 December 2016	
	No. of Securities	\$
Ordinary shares		
Opening balance – 1 July 2016	120,000,001	117,560,983
Shares bought back	(2,302,671)	(1,971,153)
Total issued capital – fully paid ordinary shares	117,697,330	115,589,830
Options		
Opening balance - 1 July 2016 - vested	65,167,917	_
Total options	65,167,917	_
Total issued capital		115,589,830
	As at 31 Decei No. of Securities	mber 2015 \$
Ordinary shares		
Opening balance – 25 June 2015	_	_
Shares issued – 25 June 2015	1	1
Shares issued – 4 September 2015	120,000,000	120,000,000
Capital raising costs	_	(3,484,311)
Capital raising costs – tax effect	_	1,045,293
Total issued capital – fully paid ordinary shares	120,000,001	117,560,983
Options		
Opening balance - 25 June 2015 - vested	_	_
Loyalty options issued on 4 September 2015 not vested	68,979,453	_
Total options	68,979,453	_
Total issued capital		117,560,983

9 Issued capital (continued)

(a) Terms and conditions

(i) Ordinary shares

Fully paid ordinary shares entitle the holder to receive dividends as declared and the proceeds on winding up the Company in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle their holder to one vote, either in person, or by proxy, at a meeting of the Company.

On 13 September 2016, the Company announced an on-market share buy-back of up to 10% of its issued ordinary shares (being 12,000,000 shares), commencing 27 September 2016 until an earlier of 26 September 2017 or when 10% of ordinary shares are bought back. The Company reserves the right to suspend or terminate the on-market share buy-back at any time. As at 31 December 2016, the Company has bought back 2,302,671 shares in total, approximately 1.92% of its issued ordinary shares.

(ii) Options

Under the Prospectus dated 21 August 2015, the Company offered shares together with:

- (a) one loyalty Option for every two shares issued under the broker firm offer or the general offer; and
- (b) two loyalty options for every three shares issued under the priority offer to eligible existing shareholders of Ellerston Global Investments Limited (ASX: EGI).
- (c) all loyalty options were issued at no cost and are not entitled to dividends.

On 28 February 2016 the vesting date of the Options, the Company issued 65,167,917 vested loyalty options to option holders who held at least the same amount of shares issued under the Initial Public Offer. The loyalty options lapsed on the same date for option holders who held less amount of shares than what they were allotted in the initial Public Offer.

Notes to the financial statements

9 Issued capital (continued)

- Terms and conditions (continued) (a)
- (ii) Options (continued)

The vested loyalty options were first quoted on the ASX on 2 March 2016. Holders of the vested loyalty option have the right to acquire one ordinary share in the Company at a price of \$1.00 and can exercise the right at any time in the period commencing on the day after the vesting date of 28 February 2016 and ending on the third anniversary of the vesting date being 28 February 2019. The loyalty options are not entitled to dividends.

Ordinary shares issued on exercise of the options rank equally with all other ordinary shares from the date of exercise and entitle the holder to receive dividends on or prior to the applicable record date.

10 Earnings per share

	Half-year ended 31 December 2016	From 25 June 2015 (date of incorporation) to 31 December 2015
Basic earnings/(losses) per share (cents)	1.61	(0.04)
Diluted earnings/(losses) per share (cents)	1.61	(0.04)
Weighted average number of ordinary shares		
Weighted average number of ordinary shares on issue used in calculating basic earnings/ (losses) per share	119,426,917	120,000,001
Add: Options for the purpose of calculating diluted earnings/(losses) per share*	_	_
Weighted average number of ordinary shares on issue used in calculating diluted earnings/ (losses) per share	119,426,917	120,000,001
Earnings reconciliation		
Net profit after income tax used in the calculating of basic and diluted earnings/ (losses) per share (\$)	1,926,333	(50,314)

^{*} Calculated in accordance with AASB 133 Earnings per Share

11 Net tangible assets per share

	As at	
	31 December 2016 \$	30 June 2016 \$
Net tangible assets per share		
Net Tangible Assets before tax	0.9573	0.9320
Net Tangible Assets after tax	0.9705	0.9522

The Net Tangible Assets is based on fully paid share capital of 117,697,330 (June 2016: 120,000,001).

12 Management and performance fees

Under the Management Agreement, dated 27 July 2015, the Company must pay the Investment Manager a Management Fee as determined with respect to the scale set out below based on the pre tax net asset value of the Investment Portfolio

For the first AUD\$50 million of net asset value the Investment Manager is entitled to 0.95% of Management Fees per annum.

Any amount by which the net asset value exceeds AUD\$50 million the Investment Manager is entitled to 0.75% of Management Fees per annum.

The Management Fee is calculated exclusive of GST and accrued each month and paid monthly in arrears.

In addition, the Investment Manager will be entitled to receive a Performance Fee from the Company equal to 15% (plus GST) of the amount by which the Investment Portfolio's pre tax return exceeds the return of the MSCI AC Asia Ex Japan Index (\$AUD), calculated and accrued monthly and paid annually in arrears.

12 Management and performance fees (continued)

A Performance Fee will be payable only if the Investment Portfolio's pre tax return exceeds the return of the MSCI AC Asian Ex Japan Index (\$AUD) for the financial year, no Performance Fee will be payable in respect of that financial year and the negative Performance Fee amount will be carried forward to the following financial year or financial years until has been recouped.

	31 December 2016	31 December 2015
	\$	\$
Management fees expense	504,113	301,041
Management fees payable	82,323	168,978
Performance fees expense	_	295,720
Performance fees payable	_	295,720

13 Contingent assets, liabilities and commitments

The Company has no material commitments, contingent assets or liabilities as at 31 December 2016 and 30 June 2016.

14 Events occurring after the reporting period

No significant events have occurred since the end of the reporting period and up to the date of this report which would impact on the financial position of the Company disclosed in the Statement of financial position as at 31 December 2016 or on the results and cash flows of the Company for the year ended on that date.

Directors' Declaration

Directors' declaration

In the directors' opinion:

- (a) the financial statements and notes set out on pages 9 to 31 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 financial period 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.

Signed in accordance with a resolution of the directors.

Ashok Jacob

Chairman

17 February 2017

Independent Auditor's Review Report



Ernst & Young 200 George Street Sydney NSW 2000 Australia GPO Box 2646 Sydney NSW 2001 Tel: +61 2 9248 5555 Fax: +61 2 9248 5959

To the members of Ellerston Asian Investments Limited

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

Directors' Responsibility for the Interim Financial Report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal controls as the directors determine are necessary to enable the preparation of the interim 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 interim 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 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 Ellerston Asian Investments Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim 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*. We have given to the directors of the Company a written Auditor's Independence Declaration, a copy of which follows the Directors' Report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of Ellerston Asian Investments 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
- complying with Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001.

Ernst & Young

Rohit Khanna Partner Sydney

17 February 2017

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Corporate Directory

Directors

Ashok Jacob

Sam Brougham

Paul Dortkamp

Stuart Robertson

Company Secretary

Ian Kelly

Registered Office

c/- Ellerston Capital Limited Level 11, 179 Elizabeth Street SYDNEY NSW 2000

Auditor

Ernst and Young
Ernst and Young Centre
200 George Street
SYDNEY NSW 2000

Manager

Ellerston Capital Limited ACN 110 397 674 Level 11, 179 Elizabeth Street SYDNEY NSW 2000

Share Registry

Link Market Services Limited Level 12, 680 George Street SYDNEY NSW 2000

Securities Exchange Listing

ASX code (ordinary shares): EAI ASX code (loyalty options): EAIO