

1 August 2019

Australian Securities Exchange Limited
20 Bridge Street
Sydney NSW 2000

By: e-lodgement

Attention: Company Announcements Office

Market Update

Market Update

The Board advises that its profit guidance of Net Profit After Tax announced on 13 June 2019 of \$10 - \$13 million, was subject to the performance of investment markets and year-end adjustments. A full review of investments has been completed and as a result the carrying value of certain investments have been impaired. This has resulted in the Board revising its headline Net Profit After Tax guidance down to approximately \$1 million. This result remains subject to year-end audit.

The Board recognises this is a disappointing result for shareholders and, as advised in the strategic update provided on 13 June 2019, the Board has already taken steps to review the investment strategy of the company. This includes:

- redeploying more funds into stable and highly secured income generating loans;
- rebalancing the investment portfolio, with a higher proportion allocated to direct and indirect property opportunities;
- developing and growing the successful direct property investment strategy;
- focusing on a reduced portfolio of concentrated high conviction equity investments;
- continuing investment into property funds management opportunities where CVC has core skills and industry reach; and
- reducing operating costs of the company.

The Board is confident of the inherent value to be unlocked from the investment portfolio over the long term, particularly from its significant property positions including, but not limited to, the Marsden Park, Donnybrook and Liverpool projects, which are forecast to deliver substantial upside from their current carrying values once planning outcomes have been achieved.

Given the transition to the new strategy, the Board is not in a position to provide guidance for the financial year ending 30 June 2020, however it is expected it will be less than prior years.

Dividend Guidance

Notwithstanding the reduced profit, the Board has maintained the year end final fully franked dividend at 8 cents per share which will be paid on 20 August 2019.

Mark Avery
Director