

28 February 2018

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

Subject: Financial Year 2018, Half Year Results & Dividend Announcement

The Board of Contrarian Value Fund Limited (ASX: CVF) is pleased to release its Interim Financial Statements including Appendix 4D Results for Announcement to the Market, for the half-year ended 31 December 2017, please see attached.

The Directors have also today announced an interim dividend of 4 cents per share, fully franked and payable on 5 April 2018 to shareholders on record at 6 March 2018. Full dividend details are in the separate dividend announcement, dated today 28 February 2018.

On behalf of the Board of CVF,



Tom Bloomfield
Company Secretary

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AROWANA
CONTRARIAN VALUE FUND

Contrarian Value Fund Limited
(ACN 602 250 644)

Interim Financial Statements
Including Appendix 4D Disclosures
For the half-year ended 31 December 2017

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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	Up	574%	to	17,005,774
Profit after tax from continuing operations attributable to members	Up	472%	to	10,669,487
Net profit for the half-year attributable to members	Up	472%	to	10,669,487

Dividends Paid and Proposed

Dividends	Amount per security	Franked amount per security
Interim Dividend – 2017 (paid 30 March 2017)	\$0.02	Nil
Final Dividend – 2017 (paid 29 September 2017)	\$0.035	\$0.035
Interim Dividend – 2018 (payable 5 April 2018)	\$0.040	\$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	15.43 cents	(4.19) cents
Diluted EPS	15.43 cents	(4.19) cents

Net Tangible Assets

NTA backing	31 December 2017	30 June 2017
Net tangible asset backing per ordinary security	120.5 cents	103.6 cents



Contrarian Value Fund Limited

ACN 602 250 644

Directors' Report and Financial Statements for the half-year ended 31 December 2017

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 2017 ("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 (Non-Executive director);

Victoria Guy (Non-Executive director);

Gary Hui (Director); and

Kien Khan (Kent) Kwan (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 profit before income tax for the half-year ended 31 December 2017 was \$15,046,022 (2016: \$4,168,115). The profit after income tax for the half-year ended 31 December 2017 was \$10,669,487 (2016: \$2,867,905), reflecting significant gains on stocks selected and held in the portfolio over the period.

Basic earnings per share after income tax was 15.43 cents (2016: (4.19) cents) for the reporting period.



For the reporting period ended 31 December 2017

	\$
Profit before income tax expense	15,046,022
Income tax expense (benefit)	(4,376,535)
Profit after income tax attributable to the owners of the Company	10,669,487
Weighted average number of shares	69,142,339

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

	\$
<i>As at 31 December 2017</i>	
Net assets per financial statements	78,995,428
(Less)/ Add net position of deferred tax asset/liabilities	4,230,417
<i>Net tangible assets per financial statement</i>	83,225,845
Expected costs to be incurred in realising proceeds of asset disposals (non-IFRS)	(150,338)
Net tangible assets before providing for estimated tax associated with unrealised portfolio position	83,075,507
Provision for estimated tax on unrealised gains (non -IFRS)	(4,924,949)
<i>Net tangible assets for ASX reporting</i>	78,150,558
<i>Number of ordinary shares on issue at reporting date</i>	69,002,131

Net Tangible Assets Backing (NTA) per share

As at 31 December 2017

	Chapter 19 NTA reporting \$/share	IFRS NTA Reporting \$/share
NTA per share, before providing for estimated tax associated with unrealised portfolio positions (\$/share)	1.2040	1.2061
NTA per share, after providing for estimated tax associated with unrealised portfolio positions (\$/share)	1.1326	1.1348

Dividends

\$0.035 cents dividend was declared and paid during the reporting period.

Options

There are no options on issue and outstanding at 31 December 2017.



On-market share buyback

During the period the Company implemented an on-market share buyback which at 31 December 2017 had resulted in the buyback and cancellation of 1,024,552 shares at a cost of \$1,032,011. The buyback remains active and will continue to 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

Other than referred to below, no matters or circumstances have arisen since 31 December 2017 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 period; or
- c) the Company's state of affairs in future reporting periods.

On 27 February 2018 the Company approved the establishment of a Dividend Distributions Reserve and transferred \$6,000,000 to that reserve. The Dividend Distribution Reserve will be used for the payment of future dividends and may be added to from time to time at the discretion of the directors and subject to the availability of accumulated retained earnings.

On 27 February 2018, the Company declared an interim dividend of \$0.04 per share, payable on 5 April 2018 from the Dividend Distribution Reserve to all shareholders on record on 6 March 2018.

Auditor's independence declaration

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 7 for the half-year ended 31 December 2017.

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, 27 February 2018



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

I declare that, to the best of my knowledge and belief, during the half-year ended 31 December 2017, 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 Hacketts

PKF HACKETTS AUDIT



**SHAUN LINDEMANN
PARTNER**

**27 FEBRUARY 2018
BRISBANE**

Statement of Profit or Loss and Other Comprehensive Income

	Note	31 Dec 2017 \$	31 Dec 2016 \$
<i>Revenue from ordinary activities</i>			
Interest income		110,062	202,240
Dividend/Distribution income		509,261	180,389
Total revenue		619,323	382,629
Fair value gain/(loss) on financial assets held at fair value through profit or loss	3	16,748,659	(4,263,155)
Foreign currency (loss)/gain		(362,208)	296,198
Total income/(loss)		17,005,774	(3,584,328)
<i>Expenses</i>			
Management fees, (and estimated performance fees)		1,759,166	363,523
Directors' fees		46,125	46,125
Professional fees		36,044	28,724
Compliance and governance expenses		98,344	120,057
Other expenses		20,073	25,358
Total expenses		1,959,752	583,787
Profit/(Loss) before income tax (expense)/benefit		15,046,022	(4,168,115)
Income tax (expense)/benefit		(4,376,535)	1,300,210
Profit/(Loss) before income tax for the period attributable to the owners of the Company		10,669,487	(2,867,905)
Other comprehensive income for the period attributable to the owners of the Company		-	-
Total other comprehensive income for the period attributable to the owners of the Company		-	-
Total comprehensive income for the reporting period		10,669,487	(2,867,905)
<i>Earnings per share for profit/(loss) after income tax attributable to the owners of the ordinary shares of the Company</i>			
Basic (cents per share)		15.43	(4.19)
Diluted (cents per share)		15.43	(4.19)

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



Statement of Financial Position

	Note	31 Dec 2017 \$	30 Jun 2017 \$
Assets			
<i>Current Assets</i>			
Cash and cash equivalents		24,674,427	38,819,563
Receivables		29,193	27,170
Total current assets		24,703,620	38,846,733
<i>Non-current assets</i>			
Financial assets held at fair value through profit or loss	4(a)	68,917,128	43,441,643
Total non-current assets		68,917,128	43,441,643
Total assets		93,620,748	82,288,376
Liabilities			
<i>Current liabilities</i>			
Payables		1,973,572	498,726
Financial liabilities held at fair value through profit or loss	(4b)	7,560,096	8,210,352
Income tax payable		861,235	1,734,744
		10,394,903	10,443,822
<i>Non-current liabilities</i>			
Deferred tax liabilities - net		4,230,417	715,117
		4,230,417	715,117
Total liabilities		14,625,320	11,158,939
Net assets		78,995,428	71,129,437
Equity			
Contributed equity		67,506,033	67,881,687
Retained profits		11,489,395	3,247,750
Total equity		78,995,428	71,129,437

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



Statement of Changes in Equity

	Note	Contributed equity \$	Retained profits \$	Total equity \$
Balance at 1 July 2016		56,442,967	6,396,381	62,839,348
(Loss) after tax for the reporting period attributable to the owners of the Company		-	(2,867,905)	(2,867,905)
Other comprehensive income		-	-	-
Total comprehensive income for the reporting period attributable to the owners of the Company		-	(2,867,905)	(2,867,905)
Transactions with owners in their capacity as owners:				
Contributed equity (net of transaction costs and taxes)		11,103,381	-	11,103,381
Dividend paid		-	(2,734,161)	(2,734,161)
Balance at 31 December 2016		67,546,348	794,315	68,340,663
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

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



Statement of Cash Flows

	Note	31 Dec 2017 \$	31 Dec 2016 \$
<i>Cash flows from operating activities</i>			
Proceeds from sale of financial assets held at fair value through profit or loss		28,325,625	10,601,489
Payments for purchase of financial assets held at fair value through profit or loss		(38,020,764)	(17,635,910)
Interest received		110,062	202,240
Custody fees paid		(35,765)	(22,476)
Payment of other operating expenses		(542,174)	(1,397,925)
Payment of income tax		(1,321,053)	-
Net cash (outflow) from operating activities		(11,484,069)	(8,252,582)
<i>Cash flows from investing activities</i>			
Dividend received		509,109	180,389
Net cash inflow from investing activities		509,109	180,389
<i>Cash flows from financing activities</i>			
Proceeds from shares issued		-	11,118,278
Payment for purchase of shares under share buyback		(1,032,011)	-
Proceeds from Dividend Reinvestment		656,357	-
Payment of capital raising costs		-	(201,304)
Dividend paid		(2,427,843)	(2,734,162)
Net cash inflow from financing activities		(2,803,497)	8,182,812
Net (decrease)/increase in cash and cash equivalents		(13,778,457)	110,619
Cash and cash equivalents at the beginning of the period		38,819,563	33,238,442
Effect of foreign currency translation		(366,679)	296,198
Cash and cash equivalents at the end of the period		24,674,427	33,645,259

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” (formerly Arowana Australasian Value Opportunities Fund Limited)) as an individual entity. The Company is incorporated and domiciled in Australia. The address of the Company’s registered office is Level 11, 153 Walker Street, North Sydney, NSW, 2060.

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 2017 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 2017, together with any public announcements made during the following half-year.

The interim financial statements were authorised for issue by the directors on 27 February 2018. The directors of the Company have the power to amend and reissue the financial statements.

(b) Accounting Policies

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements. The Group has considered the implications of new or amended Accounting Standards, but determined that their application to the financial statements is either not relevant or not material.

Critical Accounting Estimates and Judgments

All critical estimates and judgments are consistent with those applied and disclosed in the 30 June 2017 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 2017 \$1,357,828 (2016: Nil) has been provided for performance fees which may become payable at 30 June 2018, should the portfolio value continue to outperform the performance hurdle at that date. This represents 100% of the estimated performance fee that would become payable if the portfolio value at 31 December remained unchanged at 30 June 2018.



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

The Company is a listed investment company and invests in a portfolio of market listed securities which are recognised in the financial statements at their fair value, generally assessed as the latest market price of each security. Changes in the fair value are recognised through profit or loss (see note 4 below).

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 2017	30 June 2017
	\$	\$
Designated at fair value through profit or loss		
Investment in listed securities at fair value through profit or loss	68,917,128	43,441,643

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

	31 Dec 2017	30 June 2017
	\$	\$
Designated at fair value through profit or loss		
Financial liabilities on borrowed listed securities held at fair value through profit or loss	7,560,096	8,210,352

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

Other than referred to below, no matters or circumstances have arisen since 31 December 2017 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 period; or
- c. the Company's state of affairs in future reporting periods.

On 27 February 2018 the Company approved the establishment of a Dividend Distributions Reserve and transferred \$6,000,000 to that reserve. The Dividend Distribution Reserve will be used for the payment of future dividends and may be added to from time to time at the discretion of the directors and subject to the availability of accumulated retained earnings.

On 27 February 2018, the Company declared an interim dividend of \$0.04 per share, payable on 5 April 2018 from the Dividend Distribution Reserve to all shareholders on record on 6 March 2018.



7. Contingent assets and liabilities and commitments

There are no outstanding commitments, contingent assets and liabilities as at 31 December 2017.



Directors' Declaration

In accordance with a resolution of the directors of Contrarian Value Fund Limited, the directors of the Company declare that:

1. The accompanying financial statements and notes set out on pages 8 to 14 are in accordance with the *Corporations Act 2001*, including:
 - (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 2017 and of its performance, as represented by the results of its operations and cash flows, for the half-year ended on that date.
2. 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, 27 February 2018



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

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying half-year financial report of Contrarian Value Fund Limited (the company), which comprises the statement of financial position as at 31 December 2017, 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 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 2017, 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 2017 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 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.

PKF Hacketts

PKF HACKETTS AUDIT

A handwritten signature in black ink, appearing to read 'S. Lindemann'.

SHAUN LINDEMANN
PARTNER

27 FEBRUARY 2018
BRISBANE

Corporate Directory

Directors	Kevin Chin (Chairman) Gary Hui Kien Khan (Kent) Kwan John Moore AO Victoria Guy
Company Secretary	Tom Bloomfield
Principal registered office in Australia	Level 11, 153 Walker Street North Sydney NSW 2060
Investment Manager	AAVOF 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 Hacketts 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

