

**VGI
PARTNERS**
Asian Investments

VGI Partners
Asian Investments Limited
ABN 58 635 219 484
39 Phillip Street
Sydney NSW 2000 Australia
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www.vgipartners.com/lics/vg8

4 February 2021

ASX Market Announcements
ASX Limited
Exchange Centre
20 Bridge Street
Sydney NSW 2000

BY ELECTRONIC LODGEMENT

Half-Year Report and Financial Statements for the half-year ended 31 December 2020

VGI Partners Asian Investments Limited (ASX: VG8) hereby lodges:

- Appendix 4D for the half-year ended 31 December 2020; and
- Financial Report for the half-year ended 31 December 2020, incorporating the Directors' Report to Shareholders and Financial Statements.

Authorised for release by:

Ian Cameron
Company Secretary

For investor queries, please contact:

Ingrid Groer, CFA
Head of Investor Relations

VGI Partners Asian Investments Limited

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Appendix 4D
For the half-year ended 31 December 2020

Listing rule 4.2A.3

Company	VGI Partners Asian Investments Limited
ASX Code	VG8
ABN	58 635 219 484
Previous corresponding period	31 July 2019 (date of incorporation) to 31 December 2019

Results for announcement to the market

	31 December 2020	Up / down	% Movement
Income from ordinary activities	69,176,429	▲	n/a *
Profit before tax for the period	54,004,399	▲	n/a *
Net profit from ordinary activities after tax	37,922,036	▲	n/a *

* The positive percentage movement from prior period is large and accordingly, is not presented.

Dividends

There were no dividends paid or proposed during the period.

Dividend Reinvestment Plan

There is currently no dividend reinvestment plan in place.

Net tangible assets per fully paid ordinary share

	31 December 2020	31 December 2019 *	Up / down *	% Movement *
Pre-tax	\$2.73	\$2.43	▲	12.35%
Post-tax excluding deferred tax liabilities / deferred tax assets on unrealised gains / losses	\$2.74	\$2.43	▲	12.76%
Post-tax including deferred tax liabilities / deferred tax assets on unrealised gains / losses	\$2.66	\$2.45	▲	8.57%

* The comparative information in this report is for the two-month period from 5 November 2019 to 31 December 2019 and accordingly, the up or down and percentage movement may not be comparable.

Commentary on results

Additional information supporting the Appendix 4D disclosure requirements can be found in the Financial Report for the half-year ended 31 December 2020.

Financial report

This report is based on the Half-Year Financial Report which has been subject to an independent review by the auditors, Pitcher Partners.

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VGI Partners Asian Investments Limited
ABN 58 635 219 484

Half-Year Financial Report
for the period ended
31 December 2020

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CORPORATE DIRECTORY

Board of directors

Lawrence Myers – Chairman
Robert M P Luciano
David F Jones
Adelaide H McDonald
William Brown

Company Secretary

Ian J Cameron

Head of Investor Relations

Ingrid L Groer
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Investment Manager

VGI Partners Asian Investments Management Pty Limited
ABN 84 635 179 538

Registered Office

39 Phillip Street
Sydney NSW 2000

Website

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Share Registrar

Boardroom Pty Limited
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T: +61 2 9290 9600 (outside Australia)
E: enquiries@boardroomlimited.com.au

For enquiries relating to shareholdings and related matters, please contact the share registrar.

Auditor

Pitcher Partners
Level 16, Tower 2, Darling Park
201 Sussex St
Sydney NSW 2000
T: +61 2 9221 2099

Prime Brokers and Custodians

Morgan Stanley & Co. LLC
1585 Broadway, 6th Floor
New York, NY 10036, United States of America

Goldman Sachs & Co. LLC
200 West Street, 29th Floor
New York, NY 10282, United States of America

ASX code

VG8

DIRECTORS' REPORT TO SHAREHOLDERS

The Directors of VGI Partners Asian Investments Limited (**the Company** or **VG8**) present their report together with the financial statements for the half-year ended 31 December 2020.

VG8 is a company limited by shares and is incorporated in Australia and quoted on the Australian Stock Exchange (**ASX**) (ticker code: VG8).

Directors

The names of the Directors in office at any time during or since the end of the period are as follows:

Name	Position	Date appointed
Lawrence Myers	Independent Chairman	31 July 2019
Robert M P Luciano	Director	31 July 2019
David F Jones	Director	25 September 2020
Adelaide H McDonald	Independent Director	31 August 2019
William Brown	Independent Director	31 August 2019
Douglas H Tynan	Director	31 July 2019 - resigned 25 September 2020

Principal activity

The principal activity of the Company is to provide shareholders with access to a concentrated portfolio, predominately comprised of long and short positions in Asia-Pacific listed securities; and the investment expertise of VGI Partners Asian Investments Management Pty Limited, Investment Manager (**the Manager**).

There have been no significant changes in the nature of this activity during the period and no change is anticipated in the future.

Review of operations

Investment operations during the half-year resulted in an operating profit before tax of \$54,004,399 (2019: (\$14,977,823)) and an operating profit after tax of \$37,922,036 (2019: (\$10,484,434)).

The profit for the period is reflective of the performance of the investment portfolio that returned 9.7% net of fees for the six months to 31 December 2020 and 12.7% for the 2020 calendar year compared to -2.8% for the period from 5 November 2019, being the date of share allotment, to 31 December 2019.

As at 31 December 2020, the investment portfolio was 74% net long invested and there were no short positions.

The NTA after tax as at 31 December 2020 was \$2.74 (31 December 2019: \$2.43) representing an increase of 12.76%.

On 25 September 2020, Douglas Tynan resigned from the VG8 Board as part of his transition to his ongoing role as a Non-Executive Director of VGI Partners Limited (**VGI**). David Jones, an Executive Director of VGI Partners, has been appointed to the Company's Board to fill the vacancy arising from Mr Tynan's resignation. The VG8 Board comprises a majority of Independent Directors.

Financial position

The net assets of the Company as at 31 December 2020 were \$592,164,269 (30 June 2020: \$554,242,233).

DIRECTORS' REPORT TO SHAREHOLDERS (continued)

Dividends

The Directors have not declared a dividend for the reporting period ending 31 December 2020.

Subsequent events

The Company is not aware of any matter or circumstance since the end of the reporting period not otherwise dealt with in this report, that has, or may, significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

Rounding of amounts to nearest dollar

The Company is an entity of the kind referred to in ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, and in accordance with that Corporations Instrument, amounts in the financial statements are rounded off to the nearest dollar, unless otherwise indicated.

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* in relation to the review for this period is set out on page 6 of this Financial Report.

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



Lawrence Myers
Chairman

Sydney
3 February 2021

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**Auditor's Independence Declaration
To the Directors of VGI Partners Asian Investments Limited
ABN 58 635 219 484**

In relation to the independent auditor's review of VGI Partners Asian Investments Limited for the half-year ended 31 December 2020, to the best of my knowledge and belief there have been:

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



S M Whiddett
Partner

Pitcher Partners
Sydney

3 February 2021

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the half-year ended 31 December 2020

	31 December 2020 \$	31 December 2019 * \$
Income		
Net gains / (loss) on financial assets / (liabilities) measured at fair value through profit or loss	67,187,528	(14,650,081)
Dividend income	1,904,292	41,126
Interest income	–	1,200,920
Other income	84,609	1,151
Net income / (loss)	69,176,429	(13,406,884)
Expenses		
Performance fees	(9,218,703)	–
Management fees	(4,377,218)	(1,272,361)
Interest expense	(1,180,879)	–
Directors fees including on costs	(95,000)	(69,897)
Directors insurance	(287,540)	(211,485)
Stock loan fees	(12,690)	(17,196)
Total expenses	(15,172,030)	(1,570,939)
Profit / (loss) before income tax	54,004,399	(14,977,823)
Income tax (expense) / credit	(16,082,363)	4,493,389
Profit / (loss) after income tax attributable to members of the Company	37,922,036	(10,484,434)
Other comprehensive income		
Other comprehensive income for the period, net of tax	–	–
Total comprehensive income / (loss) for the period	37,922,036	(10,484,434)
Basic and diluted earnings per share	17.0 cents	(8.0) cents

* The comparative information in this report is for the five month period from 31 July 2019, being the date of incorporation, to 31 December 2019.

The above statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

		31 December 2020	30 June 2020
	Note	\$	\$
Assets			
Cash and cash equivalents	4	309,008,242	398,548,772
Trade and other receivables		945,851	794,492
Financial assets (securities owned long)	7	455,377,707	268,739,716
Deferred tax assets		2,302,462	2,302,462
Total assets		767,634,262	670,385,442
Liabilities			
Amounts due to brokers	4	143,730,427	113,714,522
Trade and other payables		14,285,216	1,056,700
Deferred tax liabilities		17,454,350	1,371,987
Total liabilities		175,469,993	116,143,209
Net assets		592,164,269	554,242,233
Equity			
Issued capital	6	556,550,545	556,550,545
Profits reserve	5	68,828,927	30,906,891
Accumulated losses		(33,215,203)	(33,215,203)
Total equity		592,164,269	554,242,233

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

STATEMENT OF CHANGES IN EQUITY

For the half-year ended 31 December 2020

	Note	Issued capital \$	Accumulated losses \$	Profits reserve \$	Total equity \$
Balance at 31 July 2019		–	–	–	–
Initial subscription upon incorporation		3	–	–	3
Shares issued under Initial Public Offer	6	556,550,542	–	–	556,550,542
Profit / (loss) for the period		–	(10,484,434)	–	(10,484,434)
Transfer to profits reserve	5	–	(3,768,670)	3,768,670	–
Balance at 31 December 2019		556,550,545	(14,253,104)	3,768,670	546,066,111
Balance at 1 July 2020		556,550,545	(33,215,203)	30,906,891	554,242,233
Profit / (loss) for the period		–	37,922,036	–	37,922,036
Transfer to profits reserve	5	–	(37,922,036)	37,922,036	–
Balance at 31 December 2020		556,550,545	(33,215,203)	68,828,927	592,164,269

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

STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2020

	Note	2020 \$	2019 * \$
Cash flows from operating activities			
Proceeds from the sale of investments		166,064,635	11,078,918
Payments for the purchase of investments		(293,643,577)	(99,983,975)
Dividends received		2,446,664	332
Interest received		400,966	1,229,365
Realised foreign exchange (losses) / gains		(5,549,884)	2,124,830
Management fees paid		(4,298,421)	(619,842)
Stock loan fees paid		(14,007)	(5,998)
Dividends on shorts		(42,174)	–
Director fees paid		(95,000)	(37,770)
Insurance fees paid		(287,540)	(211,485)
Interest paid		(1,645,592)	(45,632)
Other income received		3,650	–
Net cash outflows from operating activities		(136,660,280)	(86,471,257)
Cash flows from financing activities			
Proceeds from shares issued		–	556,550,542
Net cash inflows from financing activities		–	556,550,542
Net (decrease) / increase in cash and cash equivalents held		(136,660,280)	470,079,285
Cash and cash equivalents at the date of incorporation			3
Cash and cash equivalents at the beginning of period	4	284,834,250	–
Effects of exchange rate changes on cash balances of cash held in foreign currencies		17,103,845	(14,417,164)
Cash and cash equivalents at the end of the period	4	165,277,815	455,662,124

* The comparative information in this report is for the five month period from 31 July 2019, being the date of incorporation, to 31 December 2019.

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

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of significant accounting policies

This note provides a list of the significant accounting policies adopted in the preparation of the half-year financial statements to the extent they have not already been disclosed in the other notes below. These policies have been consistently applied to all the periods presented and consistent with those adopted and is disclosed in the Financial Report for the year ended 30 June 2020, unless otherwise stated.

(a) Basis of preparation

The Half-Year Financial Report for the period ended 31 December 2020 has been prepared in accordance with the *Corporations Act 2001* and *AASB 134 Interim Financial Reporting*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

The Half-Year Financial Report does not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements should be read in conjunction with the most recent annual Financial Report as at 30 June 2020 and any public announcements made by the Company during the interim reporting period.

(b) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (**the functional currency**). The financial statements are presented in Australian dollars (\$), which is the Company's functional and presentation currency.

(c) Application of new and revised accounting standards and interpretations

There are no new and revised accounting requirements significantly affecting the half-year ended 31 December 2020 financial statements.

(d) Significant accounting policies

The half-year financial statements have been prepared using all other accounting policies used in the recent annual financial statements for the year ended 30 June 2020.

(e) Going concern

The Half-Year Financial Report has been prepared on a going concern basis.

(f) Comparative period

The Company was incorporated on 31 July 2019 and its shares were listed and commenced trading on the ASX on 13 November 2019. Accordingly, the Company's comparative reporting period for comprehensive income, changes in equity and cash flows covers the 5 months from 31 July 2019 to 31 December 2019.

2. Segment information

The Company has only one reportable segment. The Company is engaged solely in investment activities, deriving revenue from dividend income, interest income and from the sale of its investments.

3. Dividends

No dividends were declared during the half-year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS (continued)

4. Cash and cash equivalents

	31 December 2020 \$	30 June 2020 \$
Cash at bank	309,008,242	398,548,772
Amounts due to brokers	(143,730,427)	(113,714,522)
Cash and cash equivalents	165,277,815	284,834,250

5. Profits reserve

	31 December 2020 \$	30 June 2020 \$
Profits reserve closing balance	68,828,927	30,906,891

The profits reserve is made up of amounts transferred from current period profits and are preserved for future dividend payments. The Company may set aside some or all of the undistributed profits to the profits reserve for payment of dividends rather than maintaining these profits within retained earnings/accumulated losses.

Movements in profits reserve	31 December 2020 \$	30 June 2020 \$
Balance at the beginning of period	30,906,891	3,768,670
Transfer of profits during the period	37,922,036	27,138,221
Balance at end of period	68,828,927	30,906,891

6. Issued capital

	31 December 2020 \$	30 June 2020 \$
222,620,218 Ordinary shares fully paid (30 June 2020: 222,620,218)	556,550,545	556,550,545

NOTES TO THE FINANCIAL STATEMENTS (continued)

7. Financial instruments measured at fair value

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

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information using a fair value hierarchy reflecting the significance of the inputs in making the measurements. The fair value hierarchy consists of the following levels:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Company's 'financial assets and liabilities measured and recognised at fair value' at the reporting date. These financial assets and liabilities are all held for trading. The carrying amounts of all financial instruments are reasonable approximations of the respective instrument's fair value. There were no transfers between levels for recurring fair value measurements during the year.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 30 June 2020				
Financial assets (securities owned long)	268,739,716	–	–	268,739,716
Total	268,739,716	–	–	268,739,716
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
At 31 December 2020				
Financial assets (securities owned long)	455,377,707	–	–	455,377,707
Total	455,377,707	–	–	455,377,707

8. Contingencies

There are no contingent liabilities or contingent assets at 31 December 2020 (30 June 2020: nil).

9. Subsequent events

The Company is not aware of any other matter or circumstance since the end of the financial period not otherwise dealt with in this report, that has, or may, significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company in subsequent financial periods.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (i) the attached financial statements and notes comply with the *Corporations Act 2001*, Australian Accounting Standard AASB 134: *Interim Financial Reporting, the Corporations Regulations 2001* and other mandatory professional reporting requirements;
- (ii) the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the period ended on that date; and
- (iii) 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 made pursuant to section 303(5) of the *Corporations Act 2001*.

On behalf of the Directors



Lawrence Myers
Chairman

Sydney
3 February 2021

**Independent Auditor's Review Report
To the Members of VGI Partners Asian Investments Limited
ABN 58 635 219 484****Report on the Half-Year Financial Report****Conclusion**

We have reviewed the half-year financial report of VGI Partners Asian Investments Limited ("the Company") which comprises the statement of financial position as at 31 December 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, 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 accompanying half-year financial report of VGI Partners Asian Investments Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Company's financial position as at 31 December 2020 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*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("the Code") that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the Directors 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Review of the Financial Report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether 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 2020 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*.

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.



S M Whiddett
Partner



Pitcher Partners
Sydney

3 February 2021

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