

29 September 2023

The Manager
ASX Market Announcements
Australian Securities Exchange Limited
Sydney NSW 2000

**Platinum Asia Investments Limited (ASX: PAI)
2023 Annual Report**

Please see attached Platinum Asia Investments Limited's 2023 Annual Report.

Authorised by
Joanne Jefferies | Company Secretary

Investor contact
Elizabeth Norman | Director of Investor Services and Communications
Platinum Investment Management Limited
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Platinum®
ASIA INVESTMENTS LIMITED

ANNUAL REPORT 2023



Platinum Asia Investments Limited
ABN 13 606 647 358

Directors

Margaret Towers
Ian Hunter
Richard Morath
Jim Clegg (retired 30 June 2023)
(the "Directors")

Company Secretary

Joanne Jefferies

Investment Manager

Platinum Investment Management Limited
(trading as Platinum Asset Management®)

Platinum Investment Management Limited neither guarantees the repayment of capital nor the investment performance of Platinum Asia Investments Limited (the "Company")

Shareholder Liaison

Elizabeth Norman

Registered Office

Level 8, 7 Macquarie Place
Sydney NSW 2000

Phone 1300 726 700 (Australia only)
Phone 0800 700 726 (New Zealand only)
Phone +61 2 9255 7500

Share Registrar

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

Phone +61 1300 554 474
Fax +61 2 9287 0303

Auditor and Taxation Advisor

PricewaterhouseCoopers

Securities Exchange Listing

Platinum Asia Investments Limited shares and options are listed on the Australian Securities Exchange.

ASX code (ordinary shares): PAI

ASX code (options): PAIO

Website

www.platinumasia.com.au

Corporate Governance Statement

https://www.platinum.com.au/media/Platinum/Default/pai_corp_gov.pdf

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CHAIRPERSON'S REPORT 2023

Summary

Platinum Asia Investments Limited ("PAI" or the "Company") delivered an investment return of 1.8% for the year ended 30 June 2023, as measured by its pre-tax net tangible asset backing per share,¹ during what was a challenging period for Asian equity markets due to extended COVID restrictions in China. The investment return for the MSCI index² was 2.1% for the same period. The Company's net profit after tax was \$4.5 million (2022: loss of \$47.5 million).

The Company has outperformed the MSCI index over 3-year and 5-year periods, and since its inception in 2015, the Company has delivered an annualised compound return of 7.1% per annum.

The Company determined to pay a final dividend of 2.5 cents per share fully franked at a tax rate of 25%, bringing the total dividends determined for the 2023 financial year to 5 cents per share (2022: 5 cents per share fully franked at a tax rate of 25%). This represents a grossed-up dividend yield of 7.8% based on the closing share price as at 30 June 2023.

As part of the Board's capital management initiatives, all eligible shareholders of the Company received one bonus option for every four ordinary shares held at the record date of 20 April 2023.

Investment Performance

For the 12 months to 30 June 2023, the Company delivered a pre-tax net tangible asset ("pre-tax NTA") return of 1.8%. This is compared to the MSCI index, which delivered a return of 2.1% for the same period.³

The Company's best-performing investments were primarily in India (InterGlobe Aviation), Taiwan (Taiwan Semiconductor Manufacturing) and Korea (SK Hynix, Samsung Electronics and LG Chem). However, those positive returns were partly offset by negative returns on investments in China, most notably in the Chinese consumer discretionary sector (JD.com and Alibaba). The average net invested position over the year was 88%.⁴

Since inception (15 September 2015) to 30 June 2023, the Company's annualised compound return (measured by the Company's pre-tax NTA) was 7.1% per annum, compared with an annualised compound return of 6.5% per annum for the MSCI index for the same period.⁵

1 Source: Platinum for Company returns and Factset Research Systems for MSCI index returns. Measured by the Company's pre-tax NTA, which represents the combined capital and income return of the Company's investments after the deduction of fees and expenses, adjusted for corporate taxes paid and any capital flows and assuming the reinvestment of all dividends. Returns have not been calculated using the Company's share price.

Past performance is not a reliable indicator of future returns.

2 MSCI All Country Asia ex Japan Net Index in A\$ terms.

3 See footnote 1.

4 Source: Platinum.

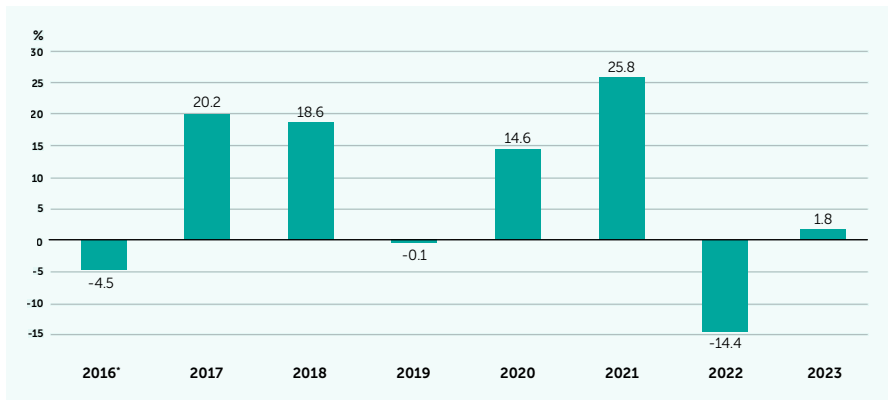
5 See footnote 1.

In the June 2023 quarterly report Platinum,⁶ commented that:

"In China, the breadth and persistence of the post-COVID recovery has proven somewhat disappointing. While we have seen a noticeable recovery in the service sectors, such as travel, the broader consumption of goods has been somewhat lacklustre. Following a strong start to the year, new property sales also started to cool in April, with both land acquisition and new property launches softer. There has also been a noticeable pick-up in secondary property sales."

A summary of the Company's yearly returns to 30 June is shown in the graph below.

PAI's Yearly Pre-Tax NTA Returns % (Year to 30 June)



* 2016 was not a full year.

Source: Platinum. **Past performance is not a reliable indicator of future returns.**

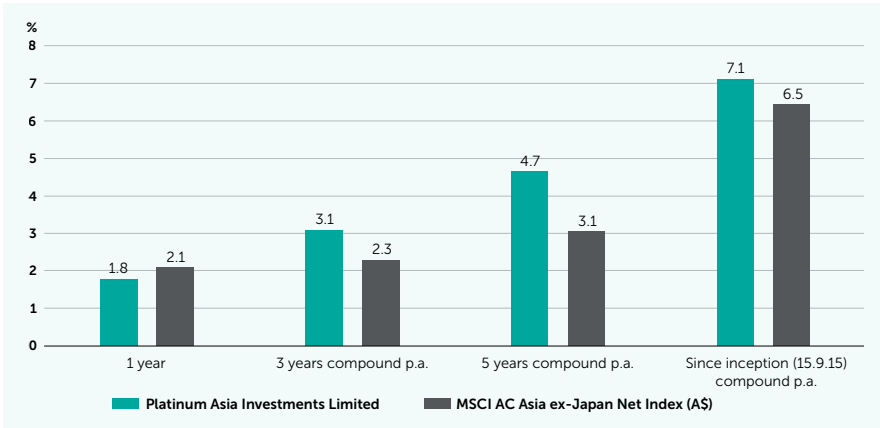


CHAIRPERSON'S REPORT 2023

CONTINUED

A summary of the Company's annualised compound returns over 1-year, 3-year, and 5-year periods and since inception to 30 June 2023, versus the MSCI index, is shown in the graph below.

PAI's Pre-Tax NTA Return versus MSCI Index Return (% Compound p.a. to 30 June 2023)



Source: Platinum for Company returns and Factset Research Systems for MSCI index returns. **Past performance is not a reliable indicator of future returns.**

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Handwritten notes and signatures in the bottom right corner, including a signature and the initials "M.F." and "S.F.".

The Company's shares continued to trade at a discount to pre-tax NTA in line with the broader global equities closed-end listed investment market. The discount decreased during the financial year, resulting in a total shareholder return ("TSR"), including franking credits, of 7.5% for the year ended 30 June 2023.

	1 YEAR (%)	3 YEARS (% P.A.)	5 YEARS (% P.A.)	SINCE INCEPTION (% P.A.)
Pre-tax NTA return	1.8	3.1	4.7	7.1
Total Shareholder Return (TSR)	7.5	2.1	0.7	4.2

Source: Platinum. Both returns assume the reinvestment of dividends. The Total Shareholder Return is calculated using share price movements and dividends paid assuming shareholders obtain the full benefit of franking credits. **Past performance is not a reliable indicator of future performance.**

The Board considers it appropriate to include franking credits in the TSR when comparing TSR to pre-tax NTA returns.

Statutory Accounts

For the financial year ended 30 June 2023, the Company made a statutory pre-tax operating profit of \$7 million and a post-tax operating profit of \$4.5 million.

The Board maintains that a more appropriate measure of the Company's performance is the percentage change in its pre-tax NTA. On this measure, the Company's return was 1.8% for the 12 months to 30 June 2023.

To keep shareholders fully informed, PAI releases weekly and monthly calculations of its net tangible asset backing per share to the ASX. Platinum publishes monthly investment performance updates and quarterly investment reports to shareholders.

CHAIRPERSON'S REPORT 2023

CONTINUED

Dividends

The Company determined to pay a 2023 final dividend of 2.5 cents per share fully franked at a 25% tax rate, bringing the total dividends determined for the 2023 financial year to 5 cents per share. This represented a grossed-up dividend yield of 7.8% based on the 30 June 2023 closing share price.

The Company's dividend is fully franked at a tax rate of 25% (rather than 30%) due to the Company meeting the criteria as a 'base rate entity' (turnover less than \$50 million) for its corporate tax rate to be 25%. As a result, whilst the criteria continue to be met, the Company will pay less corporate tax and distribute a lower amount of franking credits with each cent of dividend.

The Board aims to deliver a consistent stream of fully franked dividends to shareholders over time through its policy of dividend smoothing, subject to future earnings, cash flows, franking credits and accounting profits. The ability to pay future fully franked dividends will continue to depend on the Company's ability to generate realised profits and pay tax.

To the extent that any profits are not distributed as dividends, the Board may set aside such undistributed profits to a separate dividend profit reserve to facilitate the payment of future fully franked dividends, subject to the balance of the franking account. The ability to manage the level of fully franked dividend payments over time is a key strength of the Company's listed investment company structure.

The Company's dividend reinvestment plan ("DRP") provides shareholders with the option to receive some or all of their future dividends as ordinary shares in the Company instead of cash. Under the DRP, the DRP issue price will be the volume-weighted average share price of the Company's shares sold on the ASX over the five business days subsequent to the date on which the Company's shares cease to trade cum-dividend. No discount will be applied to the DRP issue price.

Capital Management

Following the capital management initiatives announced to the ASX on 25 October 2022, each eligible shareholder of the Company received one bonus option for nil consideration for every four ordinary shares held on the record date of 20 April 2023. The bonus options have an exercise price of \$0.90 and expiry date of 28 March 2024. The bonus options are trading on the ASX under the ASX code PAIO. The Company issued 172,561 new PAI ordinary shares as a result of bonus options exercised during May and June 2023.

On 6 April 2023, the Company extended the on-market share buy-back for up to 10 per cent of PAI's issued share capital for another 12 months. No shares have been bought back as at 30 June 2023.

The Board continues to monitor the Company's share price relative to pre-tax NTA, which is currently at a discount consistent with the broader global equities closed-end listed investment market, generally.

Environmental, Social and Governance Matters (“ESG”)

The Board acknowledges that ESG is a growing focus for investors. The investment objective of the Company is to provide capital growth over the long term by investing in undervalued companies in Asia ex-Japan. Platinum may take ESG issues into account as part of its fundamental investment research process to the extent that such issues impact Platinum’s view of a company’s inherent value. Consideration of such ESG issues provides Platinum with an expanded information set by which Platinum assesses the risks and opportunities facing companies. Platinum’s Responsible Investment Policy outlines its approach to ESG.

Other Corporate Governance Matters

Mr Jim Clegg retired from the Board with effect from 30 June 2023.

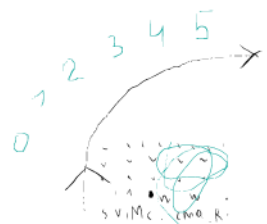
The Board continued to monitor the performance of Platinum and its adherence to the investment management and administration agreements with the full and transparent co-operation of Platinum’s management team. The Company’s Audit, Risk and Compliance Committee (ARCC) reviewed and recommended to the Board the approval of the full-year and half-year statutory accounts and reports, continued to review the Company’s risk management framework, and received regular reporting from Platinum’s management team on compliance and risk management matters and the impact of changes to the legal and regulatory environment affecting the Company.

Accordingly, I am confident in the integrity and reporting of the Company’s financial results to shareholders.

Outlook for 2022-2023

As highlighted recently by Platinum, *“We remain optimistic about the prospects for the Asian region in the medium term. Most countries have navigated through a challenging period well, emerging from COVID lockdowns while keeping inflationary pressures at bay with central banks ahead of the curve on monetary policy.”*

“Our relatively high net invested position, compared to the historical average, reflects the prospective valuations on offer across most Asian markets and constituents. However, if and when market and/or stock valuations do become stretched, we will progressively add to short positions to protect the portfolio. That said, we continue to uncover new prospective investments across the region in an ongoing effort to refine the portfolio.”



CHAIRPERSON'S REPORT 2023

CONTINUED

Annual General Meeting

My fellow directors and I are pleased to invite you to the Company's annual general meeting ("AGM") to be held on 2 November 2023 as a hybrid event whereby shareholders can either attend in person or otherwise join online.

The AGM notice, including details on how to join the meeting, will be dispatched to shareholders in the coming weeks.

Finally

On behalf of the Board, I wish to express our appreciation for the excellent work done by Andrew Clifford, Cameron Robertson, Kirit Hira and Platinum's broader investment team over the last year.

I would also like to take the opportunity to thank Mr Jim Clegg for his valuable contribution to the Board.

Finally, on behalf of the Board, I thank shareholders for their support.

Margaret Towers

Chairperson

17 August 2023





FINANCIAL INFORMATION SUMMARY

30 JUNE 2023

1.8%

12-month performance
(based on Pre-Tax NTAⁱ)

2.5cps

Final fully franked dividend

7.8%

Gross dividend yieldⁱⁱ

15 September 2015

Inception date

\$316.4m

Market capitalisation

\$0.855

Share price

370,028,345

Shares on issue

\$1.0209

Net Tangible Assets
(pre-tax) per share

\$1.0362

Net Tangible Assets
(post-tax) per share

\$383.4m

Net assets

3cps

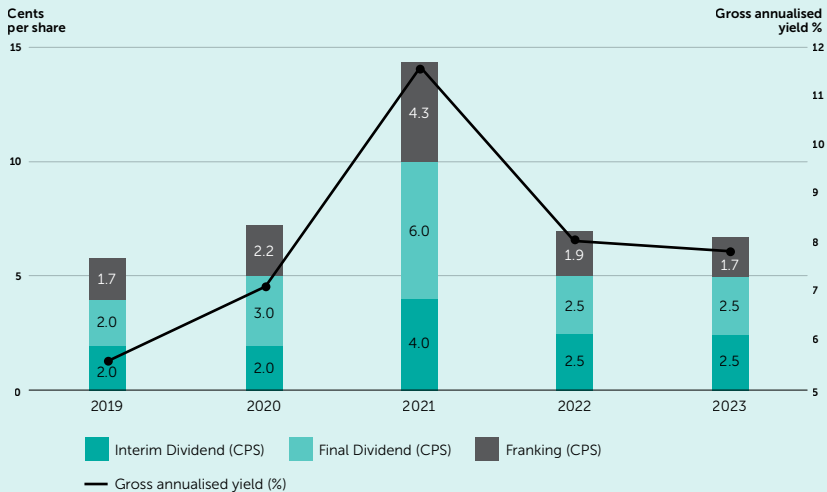
Fully franked
dividend capacityⁱⁱⁱ

- i. The pre-tax NTA return is calculated after the deduction of fees and expenses, adjusted for corporate taxes paid, and any capital flows and assumes the reinvestment of dividends.
- ii. Gross dividend yield is based on the 2023 interim dividend of 2.5 cents per share plus the 2023 final dividend of 2.5 cents per share both grossed up for franking credits and the closing share price as at 30 June 2023.
- iii. This is the maximum fully franked dividend that can be paid based on the franking credit balance and shares on issue as at 30 June 2023 after adjusting for the 2023 tax payable and the 2023 final dividend of 2.5 cents per share.

PAI's Pre-Tax NTA Return % versus MSCI AC Asia ex Japan Net Index

	1 year	3 years	5 years	Since inception
PAI	1.8%	3.1%	4.7%	7.1%
MSCI	2.1%	2.3%	3.1%	6.5%

5-Year Dividend History



Source: Platinum Investment Management Limited (PAI returns) and FactSet (MSCI returns). Returns have not been calculated using the Company's share price. **Past performance is not a reliable indicator of future performance.**

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INVESTMENT STRUCTURE, OBJECTIVES AND METHODOLOGY

Investment Structure

Platinum Asia Investments Limited (the "Company") is a listed investment company ("LIC") whose shares and options are listed on the Australian Securities Exchange ("ASX") and traded in the same way as other listed shares and options. Being a LIC, the Company:

- is closed-ended which means that the underlying portfolio can be managed without concern for fluctuating cash flows;
- is taxed at source and can therefore distribute available profits to shareholders in the form of dividends, usually fully franked (depending on the availability of franking credits); and
- has established a dividend profit reserve which creates the opportunity for the smoothing of dividends from year to year, at the discretion of the Board.

Shares in the Company can trade at a premium or discount to their net tangible asset backing per share ("NTA"), which is calculated and announced to the ASX weekly and monthly.

The Company delegates its investment management and administration functions to Platinum Investment Management Limited (trading as Platinum Asset Management) (the "Investment Manager") which employs a team of experienced investment professionals and administration personnel to perform those services. The Company and the Investment Manager are separate legal entities.

Investment Objective

The investment objective of the Company is to provide capital growth over the long term by investing primarily in undervalued listed securities of companies in the Asian Region ex Japan across sectors. In doing so, the Company aims to achieve net returns over a five-year plus investment horizon that are in excess of the MSCI All Country Asia ex Japan Net Index (in A\$).

Investment Methodology

The Investment Manager's investment approach is index-agnostic and seeks to invest in companies in the Asian Region ex Japan whose businesses and growth prospects are, in its view, inappropriately valued by the market. Just as optimism and pessimism ebb and flow in stock markets, similar sentiments also affect individual companies. This means that transitory events often have a disproportionate effect on the share prices of companies, be they positive or negative, and there is thus a tendency for share prices to deviate significantly from their inherent trend line. The Investment Manager's investment methodology seeks to identify and take advantage of the opportunities created by the divergence between a company's share price and its intrinsic value.

For a more detailed description of the Investment Manager's methodology and processes we encourage you to visit the Investment Manager's website at www.platinumasia.com.au.

Managing Currency Exposures

Equity investments in the Asian Region ex Japan create an exposure to foreign currency fluctuations, which can change the value of the equity investments when measured in the reporting currency of the Company's portfolio, which is the Australian dollar. It is part of the Company's investment strategy to assess the potential returns and risks created by currency exposures and to seek to position the portfolio with the aim of capturing those returns while minimising those risks. Currency exposures in the portfolio are actively managed by the Investment Manager.

The Investment Manager may manage the currency exposures of the Company's portfolio using foreign currency forward contracts, currency swaps, non-deliverable forwards and currency options, as well as spot foreign exchange transactions.

Strategies Aimed at Mitigating Losses and Delivering Solid Absolute Returns

While generating capital growth over the long term is the Company's primary objective, the Investment Manager also seeks to mitigate the risk of capital losses and employs a variety of strategies with the aim of achieving this.

Strategies aimed at mitigating capital losses include adjusting cash levels, deploying funds from overvalued to undervalued stocks and short selling (usually through equity derivatives in respect to individual stocks or indices). Timing the implementation of these strategies is always challenging and, though the rewards can be gratifying, patience is often required. The nature of markets means it can take some time for inappropriately valued regions, industry sectors or individual stocks to become more widely recognised and to revert to prices close to their inherent values.



OUR JOURNAL

You can find a range of thought-provoking articles and videos on our website, www.platinum.com.au. For ad hoc commentary on the latest market trends and investment themes, look up *The Journal* under Insights & Tools.

If you find yourself short on time to read our in-depth reports and articles, have a listen to our audio podcasts or watch brief market updates in video format.



IMPRESSIVE OPPORTUNITIES AROUND ACROSS ASIA

The Chinese equity market has bounced strongly in recent months, and while we continue to find plenty of investment opportunities there, we are also discovering other exciting companies to invest in across the region. Portfolio managers Kirit Hira and Cameron Robertson discuss two such companies they visited during recent research trips to Vietnam and South Korea.



 Video

By Cameron Robertson & Kirit Hira 21 February 2023



THE CHINESE PROPERTY MARKET: THE MOST IMPORTANT INDUSTRY GLOBALLY WHICH FEW UNDERSTAND

A property implosion was 2022's China crisis narrative. We have owned Chinese property companies, namely China Resources Land and China Overseas Land & Investment over the past year, which have performed well. The Chinese property sector provides an apt case study of the reverse of an asset price bubble.



 Article

By Julian McCormack
18 January 2023



THE TIMES ARE CHANGING

The economic environment has changed significantly over the past 18 months. We have gone from an environment that was extremely favourable for stock and asset prices with easy money, low interest rates, positive attitudes to risk and strong demand to an adverse environment with higher inflation, rising interest rates and concerted efforts by central banks to curb demand.

The historic bubble in tech and growth stocks has burst, and a recession in the US is probable.



 Article

By Clay Smolinski
22 June 2023



STAYING THE COURSE IN CHINA

There have been a lot of negative headlines about China recently, covering geopolitical concerns, the property sector, and COVID lockdowns.

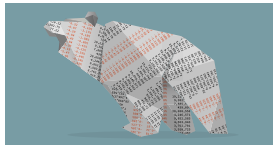
In this short video, co-portfolio manager for our Asia ex-Japan strategy, Cameron Robertson, addresses each of these concerns. China is a complex place to invest in, and Platinum has been investing there for decades.

As bottom-up investors, we invest in companies, not countries.



 Video

By Cameron Robertson
3 November 2022



INVESTING IN A BEAR MARKET

In a fireside chat with Investment Specialist Henry Polkinghorne, CEO and Co-CIO Andrew Clifford provides a timely reminder of Platinum's investment approach as well as his thoughts on markets, performance and portfolio positioning.

Many sectors that were left behind in the bull market have extraordinary valuations, and there are many interesting investment themes playing out.



 Video

By Andrew Clifford
9 November 2022



WHY TODAY'S HEADWINDS HAVE ACCELERATED A MULTI-GENERATIONAL SHIFT

The energy transition is rapidly accelerating. Portfolio managers Jodie Bannan and Liam Farlow outline why the opportunity is too good to ignore and compelling investments they are currently seeing.



 Article

By Liam Farlow &
Jodie Bannan 10 March 2023



READER

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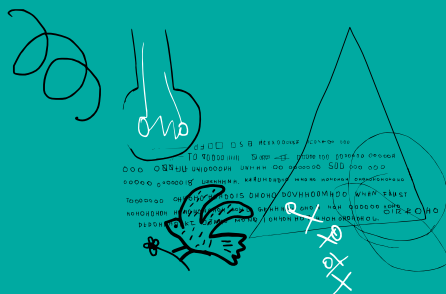
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FINANCIAL STATEMENTS 2023

PLATINUM ASIA INVESTMENTS LIMITED



General Information

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 17 August 2023. The Directors have the power to amend and reissue the financial statements.

SHAREHOLDER INFORMATION

The shareholder information set out below was applicable as at 8 August 2023.

Distribution of Ordinary Shares

Analysis of number of ordinary shareholders by size of holding:

	NUMBER OF HOLDERS OF ORDINARY SHARES
1 to 1,000	340
1,001 to 5,000	1,058
5,001 to 10,000	1,122
10,001 to 100,000	4,280
100,001 and over	508
Total	7,308
Holding less than a marketable parcel (of \$500)	229

Twenty Largest Shareholders

The names of the twenty largest shareholders of the Company are listed below:

	ORDINARY SHARES NUMBER HELD	% OF TOTAL SHARES ISSUED
Platinum Investment Management Limited	30,000,000	8.11
HSBC Custody Nominees (Australia) Limited	28,922,113	7.82
Sysha Pty Limited	17,270,000	4.67
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Limited	5,143,246	1.39
Mad Ant Pty Limited	5,000,000	1.35
Invia Custodian Pty Limited <Baptistcare Long Term A/C>	2,449,880	0.66
Lekk Pty Limited	2,200,000	0.59
Ra Saywell Investments Pty Limited	2,000,000	0.54
Dr Jared Charles Lawrence & Mrs Kathryn Helen Zaccaria	1,992,250	0.54
Citicorp Nominees Pty Limited	1,945,644	0.53
HSBC Custody Nominees (Australia) Limited-Gsi Eda	1,800,000	0.49
Invia Custodian Pty Limited <Del Papa Superfund A/C>	1,765,000	0.48
J P Morgan Nominees Australia Pty Limited	1,372,945	0.37
Netwealth Investments Limited <Super Services A/C>	1,308,321	0.35
Netwealth Investments Limited <Wrap Services A/C>	1,286,487	0.35
Wilclaire Investments Pty Limited	1,200,000	0.32
Jorlyn Pty Limited	1,000,000	0.27
Nulis Nominees (Australia) Limited	796,600	0.22
Sterda Pty Limited	700,000	0.19
Mr Craig John Thompson	682,097	0.18
	108,834,583	29.42

SHAREHOLDER INFORMATION

CONTINUED

The option holder information set out below was applicable as at 8 August 2023.

Distribution of Options

Analysis of number of option holders by size of holding:

	NUMBER OF HOLDERS OF OPTIONS
1 to 1,000	1,077
1,001 to 5,000	2,847
5,001 to 10,000	1,428
10,001 to 100,000	1,690
100,001 and over	66
Total	7,108
Holding less than a marketable parcel (of \$500)	6,499

Twenty Largest Option Holders

The names of the twenty largest option holders of the Company are listed below:

	NUMBER HELD	OPTIONS % OF TOTAL OPTIONS ISSUED
Platinum Investment Management Limited	7,500,000	8.13
HSBC Custody Nominees (Australia) Limited	6,600,297	7.15
Sysha Pty Limited	4,317,500	4.68
Mad Ant Pty Limited	1,250,000	1.35
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Limited	1,188,461	1.29
Invia Custodian Pty Limited	612,470	0.66
Lekk Pty Limited	550,000	0.60
Ra Saywell Investments Pty Limited	500,000	0.54
Wilclaire Investments Pty Limited	500,000	0.54
Dr Jared Charles Lawrence & Mrs Kathryn Helen Zaccaria	498,063	0.54
Citicorp Nominees Pty Limited	495,745	0.54
HSBC Custody Nominees (Australia) Limited-Gsi Eda	450,000	0.49
M & S Bowden Superannuation Pty Limited	399,639	0.43
Invia Custodian Pty Limited	384,668	0.42
Mr Ian Migdale Mackay	350,000	0.38
Mr Todd Lawrence Shelley	349,180	0.38
Netwealth Investments Limited <Wrap Services A/C>	346,772	0.38
J P Morgan Nominees Australia Pty Limited	340,432	0.37
Mr Kar Sin Foong	338,000	0.37
Netwealth Investments Limited <Super Services A/C>	300,813	0.33
	27,572,040	29.57

SHAREHOLDER INFORMATION

CONTINUED

Substantial Shareholders/Option Holders

The substantial shareholders and option holders in the Company's register of substantial shareholders and option holders at 8 August 2023 are listed below:

	ORDINARY SHARES		OPTIONS	
	NUMBER HELD	% OF TOTAL SHARES ISSUED	NUMBER HELD	% OF TOTAL OPTIONS ISSUED
Platinum Investment Management Limited	30,000,000	8.35%^	7,500,000	8.13

^ As at the date of the last substantial shareholder notice lodged with the ASX on 14 December 2017.

Voting Rights

Ordinary shares

Every shareholder is entitled to one vote and upon a poll each share shall have one vote.

Options

An option holder is not entitled to attend or vote at general meetings.

Distribution of Annual Report to Shareholders

The law allows for an "opt in" regime through which shareholders will receive a printed hard copy version of the Annual Report only if they request one. The Directors have decided to only mail out an Annual Report to those shareholders who have "opted in".

Financial Calendar

Ordinary shares trade ex-dividend	24 August 2023
Record date (books close) for dividend	25 August 2023
Dividend payment date	15 September 2023

These dates are indicative and are subject to change.

Notice of Annual General Meeting ("AGM")

The AGM of Platinum Asia Investments Limited will be held on Thursday, 2 November 2023. Details of how to join the meeting will be included in the AGM notice.

Questions for the AGM

If you would like to submit a question prior to the AGM, to be addressed at the AGM, you may email your question to invest@platinum.com.au.

DIRECTORS' REPORT

In respect of the year ended 30 June 2023, the Directors of Platinum Asia Investments Limited (the "Company") submit the following report prepared in accordance with a resolution of the Directors.

Directors

The following persons were Directors of the Company during the financial year and up to the date of this report, unless otherwise stated:

Margaret Towers – Chairperson and Independent Non-Executive Director
 Ian Hunter – Independent Non-Executive Director
 Richard Morath – Independent Non-Executive Director
 Jim Clegg – Independent Non-Executive Director (retired 30 June 2023)

Principal Activities

The Company is a listed investment company established to provide capital growth over the long term by investing in companies in the Asian Region ex Japan which the Investment Manager perceives to be undervalued by the market.

Operating and Financial Review

For the 12 months to 30 June 2023, the net profit before income tax was \$7,049,000 (2022: loss of \$67,204,000) and net profit after income tax was \$4,536,000 (2022: loss of \$47,454,000).

For the 12 months to 30 June 2023, the Company delivered a return of 1.8%¹ (measured by its pre-tax NTA) compared to a return of 2.1% for the MSCI All Country Asia ex Japan Net Index² in A\$ terms.

The Directors consider that the pre-tax net tangible asset backing per share, after the deduction of fees and expenses, adjusted for corporate taxes paid and any capital flows, and assuming the reinvestment of dividends ("pre-tax NTA") is a better measure of performance of the Company than its reported profits or losses. This is because the pre-tax NTA is the most accurate way to assess the investment performance of the Company's investment portfolio. For the 12 months to 30 June 2023 the Company's pre-tax NTA decreased from \$1.06 to \$1.02. The decrease is after 5 cents per share in dividends and the equivalent of 0.2 cents per share in net taxes paid during the financial year.

-
- 1 Source: Platinum Investment Management Limited (Company returns) and FactSet Research Systems (MSCI returns). Returns have not been calculated using the Company's share price. **Past performance is not a reliable indicator of future performance.**
 - 2 MSCI Disclaimer: The MSCI information may only be used for your internal use, may not be reproduced or re-disseminated in any form and may not be used as a basis for or a component of any financial instruments or products or indices. None of the MSCI information is intended to constitute investment advice or a recommendation to make (or refrain from making) any kind of investment decision and may not be relied on as such. Historical data and analysis should not be taken as an indication or guarantee of any future performance analysis, forecast or prediction. The MSCI information is provided on an "as is" basis and the user of this information assumes the entire risk of any use made of this information. MSCI, each of its affiliates and each other person involved in or related to compiling, computing or creating any MSCI information (collectively, the "MSCI Parties") expressly disclaims all warranties (including, without limitation, any warranties of originality, accuracy, completeness, timeliness, non-infringement, merchantability and fitness for a particular purpose) with respect to this information. Without limiting any of the foregoing, in no event shall any MSCI Party have any liability for any direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) or any other damages. (www.msci.com).

DIRECTORS' REPORT

CONTINUED

In the June 2023 quarterly report the Investment Manager commented that: *"We remain optimistic about the prospects for the Asian region in the medium term. Most countries have navigated through a challenging period well, emerging from COVID lockdowns while keeping inflationary pressures at bay with central banks ahead of the curve on monetary policy. We continue to uncover new prospective investments across the region."*

For more information and the Company's most recent results please refer to: www.platinumasia.com.au.

Capital Management

The Directors continue to monitor the Company's share price relative to pre-tax NTA, which is currently at a discount, consistent with the broader global equities closed-end listed investment market. At this stage the Directors do not see the need to commence an on-market share buy-back.

On 13 April 2023 the Company announced a pro-rata non-renounceable issue of one bonus option for every four ordinary shares held by eligible shareholders on the record date of 20 April 2023. The options have an exercise price of \$0.90 and expiry date of 28 March 2024. Details on options exercised are provided in Note 7 to the financial statements. The options are trading on the ASX under the ASX code PAIO.

One objective of the Company's capital management policy is to smooth dividends over time and, where possible, retain a reasonable level of franking credits to enable payment of fully franked dividends in the future. The Company does not believe that it is in the Company's or shareholders' interests to pay unfranked dividends resulting in a tax liability in the shareholders' hands and reduced investment capacity for the Company to generate future returns.

Dividends

The Directors determined to pay a 2023 fully franked final dividend of 2.5 cents per share (\$9,251,000) with a record date of 25 August 2023 and payable to shareholders on 15 September 2023 out of the dividend profit reserve. The total dividend amount is estimated based on the number of shares on issue as at 30 June 2023. The number of shares entitled to a dividend on the record date may increase if options are exercised. The dividend will be fully franked at a tax rate of 25%. Together with the 2023 interim dividend of 2.5 cents per share this represents a grossed-up dividend yield of 7.8% based on the 30 June 2023 closing share price. At 30 June 2023 the available franking credit balance after providing for the 2023 final dividend would enable the payment of a dividend up to 3 cents per share, fully franked at a tax rate of 25%.

The Dividend Reinvestment Plan ("DRP") is in operation. Participating shareholders will be entitled to be allotted the number of shares (rounded down to the nearest whole number) which the cash dividend would purchase at the relevant issue price. The relevant issue price will be the volume-weighted average share price of the Company's shares traded on the ASX over the five business days subsequent to the date on which the Company's shares cease to trade cum-dividend. No DRP discount will apply to the dividend reinvestment.

Matters Subsequent to the End of the Financial Year

Apart from the dividend determined, no matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs in future financial years.

Likely Developments and Expected Results of Operations

The Company will continue to pursue its investment objective which is to provide capital growth over the long term by investing primarily in undervalued listed securities of companies in the Asian Region ex Japan across sectors. The methods of operating the Company are not expected to change in the foreseeable future.

Environmental, Social & Governance ("ESG") Reporting

Shareholders are encouraged to read the Investment Manager's Corporate Responsibility and Sustainability Report, which is available at www.platinum.com.au/About-Platinum/ptm-shareholders.

For further information on the Investment Manager's approach to ESG refer to the website at <https://www.platinum.com.au/ESG>.

It is noted that the Company is not subject to any significant environmental regulation under Commonwealth, State or Territory laws.

Managing Tax Risk

The Board is committed to acting with integrity and transparency in all tax matters. The Company aims to meet all of its obligations under the law and pay the correct amount of tax to the relevant authorities. The Company has established a Tax Risk Management and Governance Policy which ensures an adequate framework is in place to allow for the effective management of tax risks in an appropriate and consistent manner. The policy describes the Company's approach to managing tax risk including key responsibilities, key controls and reporting mechanisms.

Information on Directors

Margaret Towers CA, GAICD

Ms Towers was appointed as an Independent Non-Executive Director on 31 March 2018. Ms Towers is the Board Chair and also serves as a member of the Audit, Risk and Compliance Committee.

Ms Towers has over 35 years' experience operating at board and senior management levels within the wealth management and investment banking sectors of the Australian financial services industry.

Ms Towers is a Non-Executive Director of Platinum Capital Limited. Ms Towers was previously a Non-Executive Director of Platinum Asset Management Limited (serving on its Audit, Risk & Compliance Committee and Nomination & Remuneration Committee) and IMB Limited (serving as Chair and member of IMB's Risk Committee, Audit Committee and Financial Planning Committee).

DIRECTORS' REPORT

CONTINUED

Ian Hunter BA, LLB, MBA

Mr Hunter was appointed as an Independent Non-Executive Director on 24 June 2015 and was elected Chair of the Audit, Risk and Compliance Committee.

Mr Hunter has over 40 years' experience in finance and the investment industry having held several roles in corporate finance and equity capital markets at international banks.

Mr Hunter is a Non-Executive Director of Platinum Capital Limited and Ironbark Capital Limited and was previously a Non-Executive Director of several other listed companies.

Richard Morath BA, FIAA

Mr Morath was appointed as an Independent Non-Executive Director on 9 September 2021. He serves as a member of the Audit, Risk and Compliance Committee.

Mr Morath has over 40 years' experience in life insurance, funds management, banking and financial planning.

Mr Morath is a Non-Executive Director of Platinum Capital Limited.

Jim Clegg BRURSC (HONS), DIPAGEC

Mr Clegg was appointed as an Independent Non-Executive Director on 9 September 2021 and retired as a director effective 30 June 2023. During his tenure, he was a member of the Audit, Risk and Compliance Committee.

Mr Clegg has over 40 years' experience in the financial services industry.

Mr Clegg was a Non-Executive Director of Platinum Capital Limited and was the founding Managing Director of Pembroke Financial Planners. He has been a Non-Executive Director of Godfrey Pembroke, Berkley Group and Centric Wealth and a trustee of The Walter and Eliza Hall Trust.

Information on Company Secretary

Joanne Jefferies BCOM, LLB

Ms Jefferies was appointed Platinum's General Counsel and Group Company Secretary on 17 October 2016. Ms Jefferies serves as the Company Secretary for Platinum Asset Management Limited and a number of its subsidiary entities. She is also the Company Secretary of Platinum Capital Limited.

Ms Jefferies is an English law qualified solicitor with more than 27 years' experience in financial services law and corporate governance specialising in asset management and banking, in England and across Asia Pacific.

Ms Jefferies previously worked for BNP Paribas Securities Services, where she was Head of Legal, Asia Pacific and Company Secretary of all Australian subsidiaries. Prior to this Ms Jefferies held senior legal positions with Russell Investments, Morley Funds Management (Aviva Investors) and Lord Abbett. She also served as the General Counsel for the UK's funds management industry association, the Investment Association.

Ms Jefferies was a Non-Executive Director of Australian Pain Management Association Limited.

Meetings of Directors

The number of meetings of the Company's Board of Directors (the "Board") and Audit, Risk and Compliance Committee held during the year ended 30 June 2023 and the number of meetings attended by each Director/Committee member were:

	BOARD MEETINGS ATTENDED/HELD	AUDIT, RISK AND COMPLIANCE COMMITTEE MEETINGS ATTENDED/HELD
Margaret Towers	8/8	6/6
Ian Hunter	8/8	6/6
Richard Morath	8/8	6/6
Jim Clegg (retired 30 June 2023)	8/8	6/6

The Audit, Risk and Compliance Committee meet at least one week prior to the formal adoption of the interim and annual financial statements, in order to carry out a detailed review of the financial statements.

Directors' remuneration is detailed further in the Remuneration Report.

Indemnity and Insurance of Directors or Officers

During the year the Company incurred a premium in respect of a contract for indemnity insurance for the Directors and officers of the Company named in this report.

Indemnity and Insurance of Auditor

The Company has not, during or since the end of the year, indemnified or agreed to indemnify the auditor of the Company against a liability incurred by the auditor in relation to the conduct of the audit. During the year the Company has not paid a premium in respect of a contract to insure the auditor of the Company.

Non-Audit Services

Details of the amounts paid or payable to the auditor for audit and other (non-audit) services provided during the year by the auditor are outlined in Note 17 to the financial statements.

The Directors are of the opinion that the services as disclosed in Note 17 to the financial statements do not compromise the external auditor's independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110: *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board.

The Directors are satisfied that the provision of non-audit services during the year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*.

DIRECTORS' REPORT

CONTINUED

Rounding of Amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission relating to "rounding-off". Amounts in this report have been rounded off in accordance with this instrument to the nearest thousand dollars or, in certain cases, the nearest dollar.

Auditor's Independence Declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 34.

Auditor

PricewaterhouseCoopers continues in office in accordance with section 327 of the *Corporations Act 2001*.

This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Margaret Towers
Chairperson



Ian Hunter
Director

17 August 2023
Sydney

Remuneration Report (audited)

Executive Summary

- The Company had four key management personnel ("KMP") during the financial year, being the Directors of the Company.
- The aggregate annual remuneration paid by the Company to the Chairperson during the financial year was \$54,950 (including superannuation).
- The Company does not pay bonuses to any of its Directors.

Introduction

The Directors of Platinum Asia Investments Limited present the Remuneration Report prepared in accordance with section 300A of the *Corporations Act 2001* for the year ended 30 June 2023.

The information provided in this Remuneration Report forms part of the Directors' Report and has been audited by the Company's auditor, PricewaterhouseCoopers, as required by section 308 of the *Corporations Act 2001*.

Key Management Personnel ("KMP")

For the purposes of this report the KMP of the Company in office during the financial year were:

NAME	POSITION
Margaret Towers	Chair and Independent Non-Executive Director
Ian Hunter	Independent Non-Executive Director
Richard Morath	Independent Non-Executive Director
Jim Clegg	Independent Non-Executive Director (retired 30 June 2023)

Shareholders' Approval of the 2022 Remuneration Report

A 25% or higher "no" vote on the remuneration report at an AGM triggers a reporting obligation on a listed company to explain in its next annual report how concerns are being addressed.

The Company received 95.46% of "yes" votes on its remuneration report for the 2022 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

DIRECTORS' REPORT

CONTINUED

Principles, Policy and Components of non-executive Directors' Remuneration

Remuneration paid to the Directors is designed to ensure that the Company can attract and retain suitably qualified and experienced directors.

It is the policy of the Board to remunerate at market rates commensurate with the responsibilities borne by the Directors.

Directors received a fixed fee and mandatory superannuation.

Directors do not receive performance-based or earnings-based remuneration and are not eligible to participate in any equity-based incentive plans.

The remuneration of the Non- Executive Directors is reviewed annually by the Board and is set at market rates commensurate with the responsibilities borne by the Non-Executive Directors. Independent professional advice may be sought. No other retirement benefits (other than mandatory superannuation) are provided to the Non-Executive Directors.

There are no termination payments payable on the cessation of office and any Non-Executive Director may retire or resign from the Board, or be removed by a resolution of shareholders.

The maximum aggregate remuneration that can be paid to the Non-Executive Directors was increased from \$186,150 per annum to \$200,000 per annum by approval of shareholders at the 2022 Annual General Meeting on 27 October 2022. The previous amount of \$186,150 amount was stated in the Company's prospectus dated 5 August 2015 and was based on the aggregate total remuneration of the Non-Executive Directors on the Board at the time of listing (i.e. total directors' fees of \$170,000 plus superannuation of 9.5% i.e. \$16,150).

On 1 July 2021 a 0.5% increase to the superannuation guarantee rate was legislated, increasing the rate from 9.5% to 10%. This inadvertently resulted in the Non-Executive Directors' aggregate total remuneration exceeding the maximum amount by \$920 for the year ended 30 June 2022. To remedy this, the Non-Executive Directors reduced their remuneration in aggregate by an equivalent amount for the financial year ended 30 June 2023 to compensate for the overpayment of \$920.

Remuneration for Directors

The table below presents amounts received by the Directors.

NAME	CASH SALARY \$	SUPER- ANNUATION \$	SHORT-TERM INCENTIVES \$	LONG-TERM INCENTIVES \$	TOTALS \$
Margaret Towers					
FY 2023	49,728	5,222	–	–	54,950
FY 2022	51,882	5,188	–	–	57,070
Ian Hunter					
FY 2023	39,784	4,177	–	–	43,961
FY 2022	42,827	4,283	–	–	47,110
Richard Morath					
FY 2023	39,784	4,177	–	–	43,961
FY 2022	32,459	3,246	–	–	35,705
Jim Clegg					
FY 2023	39,784	4,177	–	–	43,961
FY 2022	32,459	3,246	–	–	35,705
Malcolm Halstead*					
FY 2023	–	–	–	–	–
FY 2022	10,436	1,044	–	–	11,480
Total Remuneration					
FY 2023	169,080	17,753	–	–	186,833
FY 2022	170,063	17,007	–	–	187,070

* Resigned 8 September 2021.

Employment Arrangements of KMP

The Directors are the Company's KMP. The key aspects of the Directors' contracts are as follows:

- Remuneration and other terms of service for Directors are formalised in letters of appointment that all Directors have signed.
- All contracts with Directors include the components of remuneration that are to be paid to KMP and provide for annual review, but do not prescribe how remuneration levels are to be modified from year to year.
- The tenure of the Directors is subject to approval by shareholders at every third AGM or other general meeting convened for the purposes of election of Directors.
- In the event of termination, all KMP are only entitled to receive their statutory entitlements.
- Directors may resign by written notice to the Chair and where circumstances permit, it is desirable that reasonable notice of an intention to resign is given to assist the Board in succession planning.

DIRECTORS' REPORT

CONTINUED

Link between the Remuneration of the Directors and Company Performance

	2023	2022	2021	2020	2019
Total net investment income/(loss) (\$'000)	12,526	(60,053)	115,040	63,942	6,284
Expenses (\$'000)	(5,477)	(7,151)	(7,312)	(8,664)	(6,552)
Net profit/(loss) after tax (\$'000)	4,536	(47,454)	75,927	38,608	(158)
Earnings per share (cents per share)	1.23	(12.93)	20.82	10.63	(0.04)
Dividends (cents per share)	5.0	5.0	10.0	5.0	4.0
Net Tangible Asset backing (pre-tax) (30 June) (\$ per share)	1.0209	1.0566	1.3625	1.1713	1.0836
Closing share price (30 June) (\$)	0.855	0.86	1.23	1.01	1.03
Closing option price (30 June) (\$)	0.019	–	–	–	–
Total remuneration (salary and superannuation) paid (\$)	186,833	187,070	186,150	186,150	186,150

The remuneration of the Directors is not linked to the performance of the Company.

Interests of Directors in Shares and Options

The relevant interest in ordinary shares of the Company that each Director held at balance date was:

	OPENING BALANCE	ACQUISITIONS	DISPOSALS	RETIREMENT	CLOSING BALANCE
Margaret Towers	50,000	9,000	–	–	59,000
Ian Hunter	200,001	–	–	–	200,001
Richard Morath	25,000	22,000	–	–	47,000
Jim Clegg ¹	24,000	–	–	(24,000)	–

1 Retirement represents the number of ordinary shares held by Jim Clegg on the date he retired as a director and therefore ceased to be a KMP.

The relevant interest in the options of the Company that each Director held at balance date was:

	OPENING BALANCE	ACQUISITIONS	DISPOSALS	RETIREMENT	CLOSING BALANCE
Margaret Towers	–	12,500	–	–	12,500
Ian Hunter	–	50,000	–	–	50,000
Richard Morath	–	6,250	–	–	6,250
Jim Clegg ¹	–	6,000	–	(6,000)	–

1 Retirement represents the number of options held by Jim Clegg on the date he retired as a director and therefore ceased to be a KMP.

Options held by the Directors are subject to the same terms and conditions as disclosed in Note 7 of the financial statements.

AUDITOR'S INDEPENDENCE DECLARATION



As lead auditor for the audit of Platinum Asia Investments Limited for the year ended 30 June 2023, I declare that 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 audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'CJ Cummins', with a horizontal line extending to the right.

CJ Cummins

Partner

PricewaterhouseCoopers

17 August 2023

Sydney

PricewaterhouseCoopers, ABN 52 780 433 757

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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 \$'000	2022 \$'000
Investment income			
Dividends		7,269	6,845
Interest income		481	16
Net gains/(losses) on equities, convertible notes, foreign currency forward contracts and other derivatives		3,616	(72,701)
Net foreign exchange gains/(losses) on overseas bank accounts		1,160	5,787
Total investment income		12,526	(60,053)
Expenses			
Management fees	18	(4,077)	(4,712)
Performance fees	18	–	(911)
Custody		(226)	(302)
Share registry		(103)	(94)
Continuous reporting disclosure		(240)	(233)
Directors' fees	18	(187)	(187)
Auditor's remuneration and other services	17	(106)	(96)
Interest expense		(30)	(9)
Brokerage costs		(159)	(181)
Transaction costs		(28)	(47)
Insurance		(251)	(295)
Other expenses		(70)	(84)
Total expenses		(5,477)	(7,151)
Profit/(loss) before income tax expense/benefit		7,049	(67,204)
Income tax (expense)/benefit	3(a)	(2,513)	19,750
Profit/(loss) after income tax (expense)/benefit for the year attributable to the owners of Platinum Asia Investments Limited		4,536	(47,454)
Other comprehensive income for the year, net of tax		–	–
Total comprehensive income/(loss) for the year attributable to the owners of Platinum Asia Investments Limited		4,536	(47,454)
Basic earnings per share (cents per share)	10	1.23	(12.93)
Diluted earnings per share (cents per share)	10	1.23	(12.93)

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

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

	NOTE	2023 \$'000	2022 \$'000
Assets			
Cash at bank	11(a)	25	7
Cash on deposit held within the portfolio	11(a)	31,845	64,701
Receivables	5	1,285	1,102
Financial assets at fair value through profit or loss	4, 13	346,013	324,606
Income tax receivable	3(b)	1,742	1,038
Deferred tax asset	3(c)	3,936	5,709
Total assets		384,846	397,163
Liabilities			
Payables	6	718	1,491
Financial liabilities at fair value through profit or loss	4, 13	707	31
Total liabilities		1,425	1,522
Net assets		383,421	395,641
Equity			
Issued capital	7	358,778	357,108
Accumulated losses		(62,260)	(56,661)
Capital reserve	8(a)	7,934	7,934
Dividend profit reserve	8(b)	78,969	87,260
Total equity		383,421	395,641

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	ISSUED CAPITAL \$'000	ACCUMULATED LOSSES \$'000	RESERVES \$'000	TOTAL EQUITY \$'000
Balance at 1 July 2021		354,293	(9,207)	126,305	471,391
Profit/(Loss) after income tax expense for the half to 31 December 2021		–	(23,395)	–	(23,395)
Profit/(Loss) after income tax expense for the half to 30 June 2022		–	(24,059)	–	(24,059)
Other comprehensive income/(loss) for the year, net of tax		–	–	–	–
Total comprehensive income/(loss) for the year		–	(47,454)	–	(47,454)
<i>Transactions with owners in their capacity as owners:</i>					
Proceeds from the issue of shares associated with the dividend reinvestment plan and unclaimed dividends	7	2,815	–	–	2,815
Dividends paid	9	–	–	(31,111)	(31,111)
Balance at 30 June 2022		357,108	(56,661)	95,194	395,641

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	ISSUED CAPITAL \$'000	ACCUMULATED LOSSES \$'000	RESERVES \$'000	TOTAL EQUITY \$'000
Balance at 1 July 2022		357,108	(56,661)	95,194	395,641
Profit/(Loss) after income tax expense for the half to 31 December 2022		–	(5,599)	–	(5,599)
Profit/(Loss) after income tax expense for the half to 30 June 2023	3	–	10,135	–	10,135
Other comprehensive income/(loss) for the year, net of tax		–	–	–	–
Total comprehensive income/(loss) for the year		–	4,536	–	4,536
Transfer of profit after income tax for the half to 31 December 2022 to the dividend profit reserve	8	–	–	–	–
Transfer of profit after income tax for the half to 30 June 2023 to the dividend profit reserve	8	–	(10,135)	10,135	–
<i>Transactions with owners in their capacity as owners:</i>					
Proceeds from the issue of shares associated with the dividend reinvestment plan and unclaimed dividends	7	1,579	–	–	1,579
Net proceeds from issue of shares associated with exercise of options	7	91	–	–	91
Dividends paid	9	–	–	(18,426)	(18,426)
Balance at 30 June 2023		358,778	(62,260)	86,903	383,421

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	NOTE	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Payments for purchase of financial assets		(106,165)	(108,341)
Proceeds from sale of financial assets		89,081	113,426
Dividends received		6,561	6,027
Interest received		445	5
Management fees paid	18	(4,088)	(4,812)
Performance fees paid	18	(911)	–
Other expenses paid		(1,445)	(1,667)
Income tax refund received		1,038	–
Income tax paid		(1,742)	(12,939)
Net cash from operating activities	11(b)	(17,226)	(8,301)
Cash flows from financing activities			
Dividends paid – net of dividend re-investment plan	7, 9	(16,944)	(28,480)
Proceeds from issue of shares in relation to unclaimed dividends	7	97	184
Proceeds from issue of shares in relation to exercise of options	7	155	–
Cost of issuing of shares in relation to exercise of options	7	(80)	–
Net cash used in financing activities		(16,772)	(28,296)
Net increase/(decrease) in cash and cash equivalents		(33,998)	(36,597)
Cash and cash equivalents at the beginning of the year		64,708	95,518
Effects of exchange rate changes on cash and cash equivalents		1,160	5,787
Cash and cash equivalents at the end of the year	11(a)	31,870	64,708
Non-cash financing activities:			
dividend re-investment plan	7		

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 1. Summary of significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below or in the relevant note to which the policy relates. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value.

The statement of financial position is presented on a liquidity basis. Specifically, assets and liabilities are presented in decreasing order of liquidity and do not distinguish between current and non-current assets and liabilities. The majority of receivables and payables are expected to be recovered or settled within 12 months, whereas tax and investment balances may be recovered after 12 months.

New and amended accounting standards and interpretations

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 July 2022 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

New standards, amendments and interpretations effective after 1 July 2023 and have not been early adopted

A number of new standards, amendments and interpretations are effective for annual reporting periods beginning on or after 1 July 2023, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Company.

Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, which management believes to be reasonable under the circumstances. Areas of judgement include:

- Fair value measurement (refer to Note 15);
- Deferred tax (refer to Note 3 (c)); and
- Financial assets/liabilities at fair value through profit or loss (refer to Note 4).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 1. Summary of significant accounting policies – continued

Functional currency

Items included in the Company's financial statements are measured using the Australian dollar, which is the currency of the primary economic environment in which it operates (the "functional currency") and reflects the currency of the country in which the Company is incorporated, and the currency in which capital is raised and dividends are paid. However, most of the Company's assets and revenues are not denominated in Australian dollars. The Australian dollar is also the Company's presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the statement of profit or loss and other comprehensive income.

Investment income

Interest income

Interest income from financial assets at amortised cost is recognised on a time proportionate basis using the effective interest method and includes interest from cash and cash equivalents. Interest from financial assets at fair value through profit or loss is determined based on the contractual coupon interest rate.

Dividend income

Dividend income is brought to account on the applicable ex-dividend date.

Directors' entitlements

Liabilities for Directors' entitlements to fees are accrued at nominal amounts calculated on the basis of current fee rates. Contributions to Directors' superannuation plans are charged as an expense as they are paid or become payable.

Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 1. Summary of significant accounting policies – continued

Due from/due to brokers for unsettled trades

Amounts due from/due to brokers represent receivables for proceeds from the sale of financial assets (as disclosed in Note 6) and payables on purchase of financial assets/liabilities (as disclosed in Note 7) that have been traded, but not yet settled at reporting date. Proceeds from sale of financial assets are usually received between two and five days after trade date. Payables on purchase of financial assets/liabilities are usually paid between two and five days after trade date.

Expenses

All expenses, including management fees and performance fees (if any), are recognised in the statement of profit or loss and other comprehensive income on an accrual basis.

Rounding of amounts

The Company is of a kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* issued by the Australian Securities and Investments Commission relating 'rounding off'. Amounts in these financial statements have been rounded off in accordance with this instrument to the nearest thousand dollars or, in certain cases, the nearest dollar.

Note 2. Operating segments

An operating segment is a distinguishable component of the Company that is engaged in business activity from which the Company earns revenues and incurs expenses, whose operating results are regularly reviewed by the Company's Investment Manager in order to make decisions about the allocation of resources to the segment and assess its performance and for which discrete financial information is available.

The Company is organised into one main operating segment with only one key function, being the investment of the Company's funds in the Asia Region ex Japan. It operates predominantly in Australia and in the securities industry. It earns revenue from dividend income and other returns from the investment portfolio. The Company continues to have foreign exposures as it invests in companies which operate internationally. The Company invests in different types of securities as detailed in Note 13.

Note 3. Income tax

(a) Income tax (expense)/benefit

The income tax expense or benefit for the period is the tax payable or receivable on that period's taxable income based on the applicable income tax rate and adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable. Withholding tax expense on foreign dividends has been included as part of income tax expense.

The income tax (expense)/benefit attributable to the profit/(loss) comprises:

	2023 \$'000	2022 \$'000
Current income tax provision	–	(2,971)
Movement in deferred tax	(1,773)	23,407
Withholding tax on foreign dividends	(720)	(680)
Over/(under) provision of prior period tax	(4)	(6)
Deferred tax assets – credited to equity	(16)	–
Income tax (expense)/benefit	(2,513)	19,750

The income tax (expense)/benefit attributable to the financial year differs from the prima facie amount payable on the profit/(loss). The difference is reconciled as follows:

	2023 \$'000	2022 \$'000
Profit/(loss) before income tax (expense)/benefit	7,049	(67,204)
Prima facie income tax at a tax rate of 25%	(1,762)	16,801
Foreign tax credits	(747)	5
Over/(under) provision of prior period tax	(4)	(6)
Prior year deferred tax revaluation from 30% to 25%	–	2,950
Income tax (expense)/benefit	(2,513)	19,750

(b) Income tax (payable)/receivable

The income tax (payable)/receivable as disclosed in the statement of financial position is comprised of:

	2023 \$'000	2022 \$'000
Current income tax provision (before foreign tax credits)	–	(3,662)
Foreign tax credits utilised	–	691
Current income tax provision	–	(2,971)
Income tax instalments paid	1,742	4,009
Income tax (payable)/receivable	1,742	1,038

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 3. Income tax – continued

(c) Deferred tax asset/(liability)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same tax authority.

The deferred tax asset/(liability) figure in the statement of financial position is comprised of:

	2023 \$'000	2022 \$'000
Unrealised (gains)/losses on investments	2,581	5,901
Dividends accrued	(254)	(189)
Expense accruals	(13)	(3)
Losses carried forward	1,606	–
Other	16	–
Deferred tax asset/(liability)	3,936	5,709

The realised tax balance will depend on the actual gains or losses generated as and when the investments are sold.

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

	2023 \$'000	2022 \$'000
<i>Financial assets</i>		
Equity securities	345,633	324,056
Derivative financial instruments	380	550
	346,013	324,606
<i>Financial liabilities</i>		
Derivative financial instruments	707	31
	707	31

Note 4. Financial assets and liabilities at fair value through profit or loss – continued

Recognition

The Company recognises financial assets and financial liabilities on the date it becomes party to the relevant contractual agreement and recognises changes in the fair value of financial assets or financial liabilities from this date. Investments are derecognised when the contractual right to receive cash flows from the investments have expired or have been transferred, and the Company has transferred substantially all of the risks and rewards of ownership.

Measurement

The contractual cash flows of equity securities, derivatives and foreign currency forward contracts held by the Company are not comprised of principal and interest. Consequently, these financial assets and financial liabilities are measured at fair value through profit or loss.

At initial recognition, the Company measures financial assets and financial liabilities at fair value. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit and loss and other comprehensive income.

Subsequent to initial recognition, gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of profit and loss and comprehensive income within net gains/(losses) in equities, foreign currency forward contracts and other derivatives in the period in which they arise.

Fair value

AASB 13: *Fair Value Measurement* defines fair value as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date". The standard prescribes that the most representative price within the bid-ask spread should be used for valuation purposes. With respect to the Company, the exit or "last" price is the most representative price within the bid-ask spread, because it represents the price that the security last changed hands from seller to buyer. The Company has applied last-sale pricing as the fair value measurement basis for equities and derivatives it invests in.

The fair value of financial assets and liabilities traded in active markets uses quoted market prices at reporting date without any deduction for estimated future selling costs.

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, discounted cash flow techniques or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions. Options are valued with reference to the quoted price of the underlying index or share. If there is no liquid market available, options are valued based on option prices provided by an arm's length broker. These valuations are based on option pricing models.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 4. Financial assets and liabilities at fair value through profit or loss – continued

Fair value – continued

Participatory notes are sometimes used as a convenient means of investing in local securities by a foreign investor. Participatory notes are generally traded over-the-counter as they are issued by a counterparty to provide the investor with exposure to an individual equity, basket of equities or an index, in markets where liquidity, custody or other issues make ownership of the local securities sub-optimal. The valuation of participatory notes depends on the level of trading. If the participatory notes are actively traded, then the market price is used. If the participatory notes are not actively traded, counterparties provide a daily valuation that is based on the intrinsic value of the individual security.

Note 5. Receivables

Receivables include proceeds from the sale of financial assets, dividends, GST, Indian capital gains tax and interest receivables where settlement has not occurred at the end of the reporting period. Receivables are usually received within 30 days of being recognised as a receivable.

	2023 \$'000	2022 \$'000
Dividends receivable	1,029	853
Other receivables	256	249
	1,285	1,102

Note 6. Payables

These amounts represent liabilities for services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

	2023 \$'000	2022 \$'000
Other payables	718	1,491
	718	1,491

Note 7. Issued capital

Ordinary shares

Ordinary shares are classified as equity. Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. Every member is entitled to one vote and upon a poll each share shall have one vote. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. Incremental costs directly attributable to the issue of new shares and options are shown in equity as a deduction, net of tax, from the proceeds.

	2023 SHARES	2022 SHARES	2023 \$'000	2022 \$'000
Ordinary shares – fully paid	370,028,345	368,052,647	358,778	357,108
DETAILS	DATE	SHARES	\$'000	
Balance	30 June 2021	365,522,941	354,293	
Dividend reinvestment plan	16 September 2021	1,609,382	1,870	
Reinvestment of unclaimed dividends ¹	8 October 2021	53,293	59	
Dividend reinvestment plan	18 March 2022	737,558	761	
Reinvestment of unclaimed dividends ¹	1 April 2022	129,473	125	
Balance	30 June 2022	368,052,647	357,108	
Dividend reinvestment plan	15 September 2022	878,142	748	
Reinvestment of unclaimed dividends ¹	30 September 2022	56,915	48	
Dividend reinvestment plan	17 March 2023	810,923	734	
Reinvestment of unclaimed dividends ¹	31 March 2023	57,157	49	
Share issued on exercise of options	15 May 2023	75,277	68	
Share issued on exercise of options	15 June 2023	97,284	87	
Less: issue costs			(80)	
Tax benefit relating to issue costs			16	
Closing Balance	30 June 2023	370,028,345	358,778	

1 Dividends that remain unclaimed after 6 months from payment date are automatically reinvested into additional shares in the Company.

Options

Each eligible shareholder of the Company received one option for every four ordinary shares held as at the record date of 20 April 2023 for nil consideration. A total of 92,465,335 options were issued by the Company. The options are listed on the ASX (ASX code: PAIO) with an exercise price of \$0.90 and may be exercised at any time before the expiry date of 28 March 2024. Each option provides the holder the right but not an obligation to subscribe for one share at the bonus option exercise price, exercisable on or before 5 pm (AEST) on 28 March 2024.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 7. Issued capital – continued

Options – continued

Options do not carry voting rights or dividend entitlements until they are exercised. Ordinary shares issued upon exercise of the options rank equally with the all other ordinary shares on issue at the time of exercise.

	2023 OPTIONS	2022 OPTIONS	2023 \$'000	2022 \$'000
Options issued during the period	92,465,335	–	83,219	–
Options exercised during the period	172,561	–	155	–

Share buy-back

On 6 April 2023, the Company announced a 12-month extension to the on-market share buy-back program. No shares have been bought-back as at 30 June 2023.

Note 8. Reserves

	2023 \$'000	2022 \$'000
Capital reserve	7,934	7,934
Dividend profit reserve	78,969	87,260
	86,903	95,194

(a) Capital reserve

A total of 226,697,672 options that were issued under the 2015 IPO expired on 15 May 2017 and the total fair value of unexercised options, which was \$7,934,419, was transferred to a separate capital reserve. The option fair value reserve entry was the number of unexercised options, which was 226,697,672 multiplied by 3.5 cents per option, which equals the amount that was transferred to the capital reserve.

(b) Dividend profit reserve

The Company has created a dividend profit reserve. The Board considers transfers of profits to the dividend profit reserve on a semi-annual basis. Dividends are paid from this reserve and undistributed profits are available to be used for dividends in future periods to enable smoothing of dividends for shareholders. The reserve is included when determining the overall equity of the Company for accounting purposes.

A summary of the movements in this account is shown below.

	2023 \$'000	2022 \$'000
Opening balance 1 July 2022 (1 July 2021)	87,260	118,371
Transfer of profit after income tax expense for the half to 30 June 2023	10,135	–
Dividends paid	(18,426)	(31,111)
Closing balance	78,969	87,260

Note 9. Dividends

A provision is recognised if the Directors declared or determined to pay a dividend on or before the balance date and such has not been paid at balance date. Dividends paid during the financial year were as follows:

	2023 \$'000	2022 \$'000
Final dividend paid for the 2022 financial year (2.5 cents per ordinary share)	9,201	–
Interim dividend paid for the 2023 financial year (2.5 cents per ordinary share)	9,225	–
Final dividend paid for the 2021 financial year (6 cents per ordinary share)	–	21,931
Interim dividend paid for the 2022 financial year (2.5 cents per ordinary share)	–	9,180
	18,426	31,111

Dividends not recognised at year-end

In addition to the above dividends which were paid during the period, on 17 August 2023 the Directors determined to pay a 2023 final dividend of 2.5 cents per share, fully franked at a tax rate of 25%. The aggregate amount of this dividend, expected to be paid on 15 September 2023 but not recognised as a liability at year-end, is \$9,251,000. The dividend will be paid out of the dividend profit reserve. The total dividend amount is estimated based on the number of shares on issue as at 30 June 2023. The number of shares entitled to a dividend on the record date may increase if options are exercised.

Franking credits

	2023 \$'000	2022 \$'000
Franking credits available at the balance date based at a tax rate of 25%	8,492	13,930
Franking (debits)/credits that will arise from the tax (receivable)/payable at balance date based on a tax rate of 25%	(1,742)	(1,038)
Franking credits available for future dividends based on a tax rate of 25%	6,750	12,892
Franking debits that will be utilised from the payment of dividends determined subsequent to the balance date based on a tax rate of 25%	(3,083)	(3,067)
Net franking credits available based on a tax rate of 25%	3,667	9,825

The available franking credits balance after providing for the 2023 final dividend would enable the payment of a dividend of up to 3.0 cents per share fully franked at a tax rate of 25%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 10. Earnings per share

Basic and diluted earnings per share are calculated by dividing the profit attributable to the owners of Platinum Asia Investments Limited by the weighted average number of ordinary shares outstanding during the financial year.

	2023 \$'000	2022 \$'000
Profit/(loss) after income tax attributable to the owners of Platinum Asia Investments Limited	4,536	(47,454)
	NUMBER	NUMBER
Weighted average number of ordinary shares used in calculating basic earnings per share	369,054,534	367,076,102
Add: number of unexercised options for the purpose of calculating diluted earnings per share	–	–
Weighted average number of ordinary shares used in calculating diluted earnings per share	369,054,534	367,076,102
	CENTS	CENTS
Basic earnings per share	1.23	(12.93)
Diluted earnings per share	1.23	(12.93)

Options issued on 27 April 2023 and which remain unexercised at the end of the period are considered potential ordinary shares and included in the determination of diluted earnings per share only to the extent they are dilutive. The options are not included in the calculation of diluted earnings per share for the year ended 30 June 2023 as they are antidilutive. The options are not considered to have a dilutive effect as the average market price of ordinary shares of the Company during the period did not exceed the exercise price of the options. However, these options could potentially dilute basis earnings per share in the future. Details of the options are set out in Note 7.

Note 11. Notes to the statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents includes cash at bank, deposits held at call with financial institutions, cash held as collateral in margin accounts by derivatives clearing houses and counterparties, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash which are subject to an insignificant risk of changes in value.

Payments and receipts relating to the purchase and sale of investment securities are classified as "cash flows from operating activities" as realised and unrealised gains (and losses) on financial assets and liabilities and represent the Company's main operating activity.

Note 11. Notes to the statement of cash flows – continued**(a) Components of cash and cash equivalents**

	2023 \$'000	2022 \$'000
Cash at bank	25	7
Cash on deposit held within the portfolio*	31,845	64,701
	31,870	64,708

* Includes \$3,547,000 (2022: \$1,439,000) to 'cash cover' derivative contracts' deposits and margin calls. These amounts are transferred to the relevant derivatives clearing houses and counterparties as collateral. If losses are realised, the cash collateral is set off against those losses. If profits are realised on the close out of derivative contracts, the cash collateral is returned to the Company.

(b) Reconciliation of profit/(loss) after income tax to net cash from operating activities

	2023 \$'000	2022 \$'000
Profit/(loss) after income tax expense for the year	4,536	(47,454)
Adjustments for non-operating and non-cash items:		
Foreign exchange (gains)/losses	(1,160)	(5,787)
Change in operating assets and liabilities:		
Movement in investment securities and foreign currency forward contracts	(20,731)	77,287
Movement in deferred tax asset	1,789	(5,709)
Movement in deferred tax liability	–	(17,698)
Movement in receivables	(183)	179
Movement in payables	(773)	843
Movement in tax payable/receivable	(704)	(9,962)
Net cash from/(used in) operating activities	(17,226)	(8,301)

Note 12. Statement of post-tax Net Tangible Asset backing (NTA)

Reconciling net tangible asset backing (post-tax) in the statement of financial position to that reported to the ASX:

	2023 \$'000	2022 \$'000
Post-tax net tangible asset backing per statement of financial position	383,421	395,641
Adjustments*	–	(732)
Post-tax net tangible asset backing as reported to the ASX	383,421	394,909

* Primarily relates to decreasing tax payable for the year ended 30 June 2022 due to a change in tax rate from 30% to 25%.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 13. Investments

All investments below are ordinary shares, unless stated otherwise.

SECURITY	INVESTMENT TYPE	COUNTRY	VALUES \$'000
Taiwan Semiconductor Manufacturing Co Ltd	Common Stock	Taiwan	22,678
Samsung Electronics Co Ltd	Common Stock	South Korea	20,728
InterGlobe Aviation Ltd	Common Stock	India	19,136
Vietnam Enterprise Investments Ltd	Common Stock	Vietnam	17,252
ZTO Express Cayman Inc	Common Stock	China	17,135
SK Hynix Inc	Common Stock	South Korea	15,537
Ping An Insurance Group Co of China Ltd	Common Stock	China	14,898
Tencent Holdings Ltd	Common Stock	China	13,439
Macrotech Developers Ltd	Common Stock	India	12,227
China Resources Land Ltd	Common Stock	China	12,017
Weichai Power Co Ltd	Common Stock	China	10,813
Midea Group Co Ltd	Common Stock	China	10,511
China Merchants Bank Co Ltd	Common Stock	China	9,060
Trip.com Group Ltd ADR	American Depository Receipt	China	8,520
Ayala Land Inc	Common Stock	Philippines	7,851
Galaxy Entertainment Group Ltd	Common Stock	Macao	7,065
LG Chem Ltd	Common Stock	South Korea	6,973
Hang Lung Properties Ltd	Common Stock	Hong Kong	5,837
Noah Holdings ADR	American Depository Receipt	China	5,330
China Overseas land & Investment Ltd	Common Stock	China	5,159
Contemporary Amperex Technology Co Ltd	Common Stock	China	5,084
Ping An Bank Co Ltd	Common Stock	China	5,036
Alibaba Group Holding Ltd	Common Stock	China	4,612
Jardine Cycle & Carriage Ltd	Common Stock	Singapore	4,283
Alibaba Group ADR	American Depository Receipt	China	4,200
JD.com Inc	Common Stock	China	4,118
Yuan Longping High-tech Agriculture Co Ltd	Common Stock	China	3,893
Inner Mongolia Yili Industrial Group Co Ltd	Common Stock	China	3,886
DingDong Cayman ADR	American Depository Receipt	China	3,853
Avia Avian Tbk PT	Common Stock	Indonesia	3,514

Note 13. Investments – continued

SECURITY	INVESTMENT TYPE	COUNTRY	VALUES S'000
Vietnam Dairy PN5 J 07/02/2024	Participatory Note	Vietnam	3,358
Nine Dragons Paper Holdings	Common Stock	Hong Kong	3,321
Map Aktif Adiperkasa PT	Common Stock	Indonesia	3,245
H World Group Limited ADR	American Depository Receipt	China	3,005
Nien Made Enterprise Co Ltd	Common Stock	Taiwan	2,961
Fila Korea Holdings Corp	Common Stock	South Korea	2,735
Supalai PCL Foreign Line	Common Stock	Thailand	2,541
JD.com Inc ADR	American Depository Receipt	China	2,526
Estun Automation Co Ltd	Common Stock	China	2,440
Mega Lifesciences PCL Foreign Line	Common Stock	Thailand	2,373
Coway Co Ltd	Common Stock	South Korea	2,347
PDD Holdings Inc ADR	American Depository Receipt	China	2,290
Soulbrain Co Ltd	Common Stock	South Korea	2,261
AIA Group Ltd	Common Stock	Hong Kong	2,196
Longshine Technology Group	Common Stock	China	2,091
TI Cloud Inc	Common Stock	China	1,977
China Vanke Co Ltd	Common Stock	China	1,958
Estun Automation Co Ltd – A Share PN exp 22/12/23	Participatory Note	China	1,580
IndiaMart InterMesh Ltd	Common Stock	India	1,546
AK Medical Holdings Ltd	Common Stock	China	1,528
HPSP Co Ltd	Common Stock	South Korea	1,449
Midea Group Co PN exp 06/02/2024	Participatory Note	China	1,332
China Vanke	Common Stock	China	1,210
Beijing Oriental Yuhong	Common Stock	China	1,023
Noah Holdings Ltd	Common Stock	China	966
BOC Aviation Ltd	Common Stock	China	773
Trip.com Group Ltd	Common Stock	China	747
Meituan	Common Stock	China	601
Techtronic Industries Co Ltd	Common Stock	Hong Kong	575
Sunny Optical Technology Group Ltd	Common Stock	China	554
Meitu Inc	Common Stock	China	477
Kerry Express Thailand PCL Foreign Line	Common Stock	Thailand	459
CStone Pharmaceuticals	Common Stock	China	450

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 13. Investments – continued

SECURITY	INVESTMENT TYPE	COUNTRY	VALUES \$'000
Mobile World Investment Corp	Long Equity Swap	Vietnam	380
Yidu Tech Inc	Common Stock	China	364
Qingdao Ainnovation Technology Group Co Ltd	Common Stock	China	359
China Education Group Holdings Ltd	Common Stock	China	336
Shell Pilipinas Corporation	Common Stock	Philippines	274
Warom Technology Inc Co	Common Stock	China	259
Country Garden Services Holdings Co Ltd	Common Stock	China	178
Full Truck Alliance Co Ltd	American Depository Receipt	China	118
Maruti Suzuki India Ltd	Common Stock	India	111
China Meidong Auto Holdings Ltd	Common Stock	China	94
Tata Consultancy Future Jul23 CLS	Future	India	(7)
Nongfu Spring Co Ltd	Short Equity Swap	China	(21)
Infosys Ltd ADR	Short Equity Swap	India	(92)
Ecopro Co Ltd	Short Equity Swap	South Korea	(183)
Nifty SGX Future Jul23	Future	India	(404)
Total			345,306
Financial assets at fair value through profit and loss			346,013
Financial liabilities at fair value through profit and loss			(707)
Total			345,306

Note 14. Financial risk management

Financial risk management objectives, policies and processes

In pursuing its investment objectives, the Company is exposed to a variety of financial risks: market risk (including interest rate risk, foreign exchange risk and price risk), credit risk and liquidity risk. The management of these risks is carried out by the Investment Manager under the investment management agreement and policies approved by the Directors. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Company uses different methods to measure different types of risk to which it is exposed. These methods are explained on the next page.

Note 14. Financial risk management – continued

Financial risk management objectives, policies and processes – continued

The Company uses financial derivative instruments (both over-the-counter (“OTC”) derivatives and exchange traded derivatives) for risk management purposes and to take opportunities to increase returns, including, for example:

- to gain access to markets not readily available to foreign investors;
- to create a short position in a security;
- to build a position in a security as a short-term strategy to be reversed when physical securities are purchased; and
- to aid in the management of the Company’s cash flows (e.g. some stock markets require pre-funding of stock purchases that may be avoided through the use of derivatives).

The underlying value of the Company’s derivatives positions may not exceed 100% of the Company’s portfolio value. The underlying value of the Company’s long stocks and derivative positions may not exceed 150% of the Company’s portfolio value. Where options are employed, the underlying value will be the delta-adjusted exposure. The Company will typically have 50% or more net equity exposure. The Company’s exposures against these limits are regularly monitored by the Investment Manager. In addition, quarterly exposure reports are provided to the Audit, Risk and Compliance Committee. As ordinary shares of the Company are fully paid, a shareholder’s exposure to any losses cannot exceed the value of their shareholding.

Market risk

Price risk

The Company is exposed to equity securities and derivatives price risk. Price risk arises from investments held by the Company for which prices in the future are uncertain. Where non-monetary financial instruments are denominated in currencies other than the Australian dollar, the price in the future will also fluctuate because of changes in foreign exchange rates which are considered a component of price risk.

Market prices fluctuate due to a range of factors specific to the individual investments or factors affecting the market in general. The Investment Manager’s stock selection process is core to the management of price risk. The Investment Manager adopts a “bottom up” stock selection approach and is an “active manager”. The Investment Manager seeks a broad range of Asian Region ex Japan investments whose businesses and growth prospects, it believes, are being undervalued by the market. Accordingly, the investment holdings in the Company may vary considerably from the make-up of the MSCI All Country Asia ex Japan Net index on the basis that the Investment Manager remains index agnostic. The Company may hold long and short positions.

As an additional risk management tool, the Company may enter into short equity swaps and futures to protect against market movements. This may include short positions against market indices and company-specific stocks. The Company may also reduce its net invested position by increasing its cash holdings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 14. Financial risk management – continued

Market risk – continued

Price risk – continued

The table below summarises the Company's net exposure to price risk (effective exposure is used for derivatives).

	2023 \$'000	2022 \$'000
Equities		
China	170,800	183,038
India	33,020	35,367
South Korea	52,030	31,722
Hong Kong	11,929	16,247
Taiwan	25,639	19,677
Other regions	52,215	38,005
Total Equities	345,633	324,056
Derivatives	(19,038)	309
Net exposure	326,595	324,365

Foreign Exchange risk

Foreign exchange risk is the risk the fair values of future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company invests in the Asian Region ex Japan and is exposed to foreign exchange risk arising from buying, selling and holding investments denominated in foreign currencies. Foreign exchange risk arises as the value of monetary securities denominated in other currencies will fluctuate due to the changes in exchange. The foreign exchange risk relating to non-monetary assets and liabilities is a component of price risk not foreign exchange risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Investment Manager selects stocks based on value regardless of geographic location. The Company undertakes a significant number of its transactions denominated in foreign currencies and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Note 14. Financial risk management – continued**Market risk – continued***Foreign Exchange risk – continued*

Active currency management is an integral part of the management of market risk. The Investment Manager may position the Company's portfolio in what it believes will be stronger performing currencies. The Investment Manager may use foreign currency forward contracts, currency swaps, non-deliverable forwards and currency options, as well as spot foreign exchange transactions to position the portfolio in the desired currencies. A currency exposure may be hedged into a different currency from that which the physical exposure is maintained.

The table below summarises the Company's exposure to foreign exchange risk.

	AUSTRALIAN DOLLAR \$'000	CHINESE YUAN \$'000	HONG KONG DOLLAR* \$'000	KOREAN WON \$'000	UNITED STATES DOLLAR** \$'000	OTHER CURRENCIES*** \$'000
30 JUNE 2023						
Financial asset						
Cash at bank	25	–	–	–	–	–
Cash on deposit held within the portfolio	8	–	17,935	–	12,595	1,307
Equity securities	–	75,675	81,365	52,030	36,112	100,451
Derivative financial instruments	–	–	–	–	–	380
Receivables	220	1	800	–	178	86
Total financial assets	253	75,676	100,100	52,030	48,885	102,224
Financial liabilities						
Payables	670	–	–	–	48	–
Derivative financial instruments	–	–	21	183	496	7
Total financial liabilities	670	–	21	183	544	7
Net exposure	(417)	75,676	100,079	51,847	48,341	102,217

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 14. Financial risk management – continued

Market risk – continued

Foreign Exchange risk – continued

30 JUNE 2022	AUSTRALIAN DOLLAR \$'000	CHINESE YUAN \$'000	HONG KONG DOLLAR* \$'000	KOREAN WON \$'000	UNITED STATES DOLLAR** \$'000	OTHER CURRENCIES*** \$'000
Financial asset						
Cash at bank	7	–	–	–	–	–
Cash on deposit held within the portfolio	6	–	15,145	–	48,964	586
Equity securities	–	54,418	96,714	31,722	58,361	82,841
Derivative financial instruments	–	–	–	–	10	540
Receivables	239	6	764	–	12	81
Total financial assets	252	54,424	112,623	31,722	107,347	84,048
Financial liabilities						
Payables	1,459	–	–	–	32	–
Derivative financial instruments	–	–	–	–	31	–
Total financial liabilities	1,459	–	–	–	63	–
Net exposure	(1,207)	54,424	112,623	31,722	107,284	84,048

* Equity securities exposure is predominantly comprised of Chinese companies listed on the Hong Kong Stock Exchange. The underlying geographic exposure of most of the investments denominated in the Hong Kong Dollar is China.

** Equity securities exposure to the United States Dollar is predominantly comprised of Chinese companies listed in the United States, via American Depository Receipts.

*** Other currencies mainly include Indian Rupees and Taiwanese Dollars.

Summarised Sensitivity Analysis

The table on the following page summarises the sensitivities of the Company's profit to price risk and foreign exchange risk. Price risk exposure arises from the Company's investment portfolio which comprises investments in securities and derivatives. The below analysis is based on net effective exposure positions. Foreign exchange risk exposure arises from volatility in both the Australian dollar and other currencies. The effect on profit due to a possible change in market prices, as represented by a +/-10% movement in these markets with all other variables held constant, is illustrated in the table on the next page.

A sensitivity of 10% has been selected as this is considered reasonably possible given current exchange rates and the volatility observed both on a historic basis and after factoring in possible future movements.

Note 14. Financial risk management – continued**Market risk – continued***Summarised Sensitivity Analysis – continued*

	PRICE RISK		FOREIGN EXCHANGE RISK	
	-10% \$'000	+10% \$'000	-10% \$'000	+10% \$'000
As at 30 June 2023	(34,530)	34,530	42,919	(33,456)
As at 30 June 2022	(33,155)	33,155	43,252	(35,388)

Interest rate risk

Interest rate risk is the possibility the fair value of future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the Company's financial assets and liabilities are non-interest bearing as the Company has a policy of not borrowing other than for the short-term settlement of trades. Accordingly, the Company is not exposed to significant interest rate risk.

Credit risk

Credit risk relates to the risk of a counterparty defaulting on a financial obligation resulting in a loss to the Company (typically through OTC derivatives transactions, currency forward contracts and cash holdings).

The exposure to credit risk for cash and cash equivalents, futures, equity swaps, and foreign currency forward contracts is any unrealised profit and collateral paid on the positions (the money the Company would lose if the counterparty defaulted) at reporting date. The table below shows the Company's counterparty credit risk exposure by credit rating.

RATINGS	2023 \$'000	2022 \$'000
A+	9,334	5,962
A	28,300	65,131
Unrated	564	567
Total	38,198	71,660

Independent rating agencies consider a credit rating of BBB or higher to be investment grade.

The Investment Manager regularly monitors the Company's credit risk exposure to counterparties and seeks to manage this risk by diversifying the Company's exposure to a number of different counterparties. Over-the-counter derivatives transactions are entered into by the Investment Manager on behalf of the Company under standard ISDA (International Swaps and Derivatives Association) master agreements and English law governed Credit Support Annexes which employ two-way margining of unrealised profits and losses. The Investment Manager typically limits the maturity of derivatives contracts to short-term. Transactions in listed securities and investments are executed by the Investment Manager's approved brokers and are typically cleared through a central clearing counterparty. Settlement is typically on a delivery versus payment basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 14. Financial risk management – continued

Credit risk – continued

The Company determines credit risk and measures expected credit losses for financial assets measured at amortised cost using probability of default, exposure at default and loss given default. The Board considered both historical analysis and forward-looking information in determining any expected credit loss. At 30 June 2023 and 30 June 2022, all receivables, amounts due from brokers, cash and short-term deposits were held with counterparties with a credit rating of AA/Aa or higher and are either callable on demand or due to be repaid within one week. The Board considers the probability of default to be close to zero as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulty in meeting its obligations associated with financial liabilities. This includes the risk that the Company will:

- (i) not have sufficient funds to settle a transaction on the due date; and
- (ii) be forced to sell financial assets at a value which is less than what they are worth.

Remaining contractual maturities

The table below details the Company's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities were required to be paid.

	WITHIN 3 MONTHS \$'000	BETWEEN 3 AND 12 MONTHS \$'000	TOTAL \$'000
30 JUNE 2023			
Payables	691	27	718
Financial liabilities at fair value through profit or loss	707	–	707
Total	1,398	27	1,425

	WITHIN 3 MONTHS \$'000	BETWEEN 3 AND 12 MONTHS \$'000	TOTAL \$'000
30 JUNE 2022			
Payables	1,452	39	1,491
Financial liabilities at fair value through profit or loss	31	–	31
Total	1,483	39	1,522

Note 14. Financial risk management – continued

Liquidity risk – continued

At 30 June 2023 and 30 June 2022, there were no other contractual amounts payable after 12 months. The Company has sufficient funds to meet these liabilities as most of the Company's assets can be realised in one year or less.

The risk management guidelines adopted are designed to minimise liquidity risk by:

- (i) ensuring that there is no significant exposure to illiquid or thinly traded financial instruments; and
- (ii) applying limits to ensure there is no concentration of liquidity risk to a particular counterparty or market.

The Investment Manager prepares daily cash forecasts on behalf of the Company and maintains sufficient cash to meet normal operating requirements. The Company has a policy of not borrowing money other than on a short-term basis for settlement purposes.

Capital risk management

The Company considers its capital to comprise ordinary share capital, reserves and accumulated retained earnings.

The Company's investment objective is to provide capital growth over the long-term by investing in companies across the Asian Region ex Japan sectors which the Investment Manager perceives to be undervalued by the market.

The Board regularly and actively reviews the most efficient manner by which the Company manages its capital, in response to changing market conditions and risks with the sole aim of enhancing shareholder value through:

- the management of the level of dividends to shareholders;
- the issue of shares by methods such as rights offers, share purchase plans or placements;
- the issue of options and/or the use of share buy-backs.

On 27 April 2023 the Company issued bonus options to eligible shareholders (refer to Note 7).

The Company is an ASX-listed investment company and is subject to the ASX Listing Rules. The Company complies with all externally-imposed capital requirements.

Note 15. Fair Value Measurement

AASB 13: *Fair Value Measurement* requires the Company to classify those assets and liabilities measured at fair value through profit or loss, using the following fair value hierarchy model:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly or indirectly.
- Level 3: Unobservable inputs for the asset or liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 15. Fair Value Measurement – continued

The Company measures and recognises the following financial assets and liabilities at fair value pursuant to AASB 13, on a recurring basis:

- Equity securities, long equity swaps and long futures;
- Short equity swaps and short futures; and
- Foreign currency forward contracts.

The following table details the Company's assets and liabilities, measured and disclosed at fair value, using a three-level hierarchy model.

30 JUNE 2023	LEVEL 1 \$'000	LEVEL 2 \$'000	TOTAL \$'000
Assets			
Equity securities	339,363	6,270	345,633
Derivatives	–	380	380
Total assets	339,363	6,650	346,013
Liabilities			
Derivatives	411	296	707
Total liabilities	411	296	707
30 JUNE 2022	LEVEL 1 \$'000	LEVEL 2 \$'000	TOTAL \$'000
Assets			
Equity securities	319,505	4,551	324,056
Derivatives	4	546	550
Total assets	319,509	5,097	324,606
Liabilities			
Derivatives	–	31	31
Total liabilities	–	31	31

Note 15. Fair Value Measurement – continued

Assets and liabilities classified as Level 1

At 30 June 2023 98% (2022: 99%) of the equity securities held by the Company were valued using unadjusted quoted prices in active markets and were classified as Level 1 in the fair-value hierarchy model.

Assets and liabilities classified as Level 2

There were certain financial instruments that were classified as Level 2 because a degree of adjustment has been made to the quoted price i.e. whilst all significant inputs required for fair value measurement are observable and quoted in an active market there was a degree of estimation involved in deriving the fair value. Participatory notes were classified as Level 2 because they were generally traded over-the-counter and were often priced in a different currency to the underlying security. Foreign currency forward contracts are classified as Level 2 even though forward points are quoted in an active and liquid market. The forwards themselves are based on interest rate differentials.

Note 16. Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where there is a legally enforceable right to offset recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Offsetting and master netting agreements

The Company enters into derivative transactions under International Swaps and Derivatives Association (ISDA) master agreements. In general, under these agreements the amounts owed by each counterparty on a single day in respect of the same transaction type outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other if:

- (i) there is a legally enforceable right to set-off the financial asset and financial liability; and
- (ii) the Company intends to settle the financial asset and financial liability on a net basis, or realise the financial asset and settle the financial liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 16. Offsetting of financial assets and financial liabilities – continued

Offsetting and master netting agreements – continued

The gross and net positions of financial asset and liabilities that have been offset in the Statement of Financial Position are disclosed in the first three columns of the following table:

	AMOUNTS OFFSET IN THE STATEMENT OF FINANCIAL POSITION			RELATED AMOUNTS NOT SET-OFF IN THE STATEMENT OF FINANCIAL POSITION		
	GROSS AMOUNTS SET-OFF IN THE STATEMENT OF FINANCIAL POSITION \$'000	GROSS AMOUNTS SET-OFF IN THE STATEMENT OF FINANCIAL POSITION \$'000	NET AMOUNTS SET-OFF IN THE STATEMENT OF FINANCIAL POSITION \$'000	FINANCIAL INSTRUMENT ¹ \$'000	CASH COLLATERAL \$'000	NET AMOUNT \$'000
Financial assets						
2023						
Derivatives	380	–	380	–	–	380
2022						
Derivatives	550	–	550	–	–	550
Financial liabilities						
2023						
Derivatives	707	–	707	–	(707)	–
2022						
Derivatives	31	–	31	–	(31)	–

1 Shows the impact of arrangements between the Company and the relevant counterparty on financial instruments that provide a right to set-off that becomes enforceable and affects settlement of individual financial assets and liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business. These arrangements are not set-off in the Statement of Financial Position, as they are not currently enforceable.

Note 17. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by PricewaterhouseCoopers, the auditor of the Company:

	2023 \$'000	2022 \$'000
Audit services – PricewaterhouseCoopers		
Audit and review of the financial statements	76,310	72,280
Other services – PricewaterhouseCoopers		
Tax compliance services	29,700	23,680
	106,010	95,960

Note 18. Related parties

The Investment Manager, Platinum Investment Management Limited, receives a monthly management fee for investment services provided in accordance with the investment management agreement ("IMA"). This agreement provides for a management fee payable monthly and calculated at 1.1% (2022: 1.1%) per annum of the portfolio value (adjusted for any taxes paid/refunded, dividends paid and capital flows) which includes cash and deposits.

The Investment Manager also receives a performance fee of 15% (calculated annually as at 30 June) of the amount by which the portfolio's investment performance exceeds the return achieved by the MSCI All Country Asia ex Japan Net Index in A\$. Where the portfolio's for a year return is less than the index, the amount of the underperformance is aggregated, carried forward and deducted from the performance in the subsequent year before calculating any performance fee for that year. The aggregate underperformance from prior periods is carried forward until a performance fee becomes payable.

Investment Manager

For the 12 months to 30 June 2023 the return of the portfolio was 1.4%¹ and the return of the MSCI All Country Asia ex Japan Net Index in A\$ was 2.1%. This represents an underperformance of 0.7% against the index for the year ended 30 June 2023. No performance fee has been accrued at 30 June 2023.

The management fees and performance fees paid and payable are shown in the table below:

	2023 \$	2022 \$
Management fee expense	4,077,046	4,712,385
Management fees paid	4,087,862	4,811,663
Management fee payable	347,008	357,824
Performance fee expense	–	910,621
Performance fee paid	910,621	–
Performance fee payable	–	910,621

In the event of termination of the IMA by the Company for convenience, the Investment Manager will be eligible to receive a termination fee equivalent to the management fee of 1.1% of the portfolio value (adjusted for any taxes paid/refunded, dividends paid and capital flows) and the performance fee (calculated as set forth above) if any, for the period from the first business day of the month in which termination is effective to the date which is the first anniversary of that date.

Each party is required to provide three months' notice to terminate the IMA. However, the Company may terminate the agreement for cause at any time by written notice to the Investment Manager in certain instances.

¹ This figure represents the 12 month return of the Company based on the adjusted portfolio value. This differs from the Company's 12 month pre-tax NTA return of 1.8% referred to in the Directors' Report, which also includes non-portfolio and non-investment related assets and liabilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

Note 18. Related parties – continued

Investment

At 30 June 2023, Platinum Investment Management Limited held 30 million ordinary shares in the Company (2022: 30 million ordinary shares), which represents an interest of 8.1% of the Company's ordinary shares (2022: 8.2%). During the year, Platinum Investment Management Limited received a final 2022 dividend of \$750,000 and an interim 2023 dividend of \$750,000.

As per ASX announcement dated 13 April 2023, all shareholders including Platinum Investment Management Limited were allotted PAI options on a one for four basis. Platinum Investment Management Limited was allotted 7,500,000 PAI options for 30 million ordinary shares that it held in the Company.

Platinum Investment Management Limited held 7,500,000 PAI options at 30 June 2023.

Administration services

The Investment Manager also provides various administrative services to the Company under an Administration Services Agreement. These include accountancy, corporate secretarial, performance analytics, taxation, compliance and risk monitoring services. The services also include liaising with the external share registry to ensure that accurate share records are maintained and services are provided to shareholders in a timely and efficient manner.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

Key Management Personnel disclosures

The Non-Executive Directors are the Company's key management personnel. Total remuneration paid to the Non-Executive Directors was \$186,833 (2022: \$187,070), with \$169,080 (2022: \$170,063) paid as cash salary and \$17,753 (2022: \$17,007) paid as superannuation. Refer to the Remuneration Report for further details.

The relevant interest in ordinary shares of the Company that each Director held at balance date was:

30 JUNE 2023	OPENING BALANCE	ACQUISITIONS	DISPOSALS	RETIREMENT	CLOSING BALANCE
Margaret Towers	50,000	9,000	–	–	59,000
Ian Hunter	200,001	–	–	–	200,001
Richard Morath	25,000	22,000	–	–	47,000
Jim Clegg ¹	24,000	–	–	(24,000)	–

1 Retirement represents the number of ordinary shares held by Jim Clegg on the date he retired as a director and therefore ceased to be a KMP.

Note 18. Related parties – continued**Key Management Personnel disclosures – continued**

30 JUNE 2022	OPENING BALANCE	ACQUISITIONS	DISPOSALS	RETIREMENT	CLOSING BALANCE
Margaret Towers	50,000	–	–	–	50,000
Ian Hunter	200,001	–	–	–	200,001
Richard Morath*	–	25,000	–	–	25,000
Jim Clegg*	–	40,000	(16,000)	–	24,000
Malcolm Halstead**	1	–	–	(1)	–

* Appointed 9 September 2021.

** Retired 8 September 2021.

The relevant interest in options of the Company that each Director held at balance date was:

30 JUNE 2023	OPENING BALANCE	ACQUISITIONS	DISPOSALS	RETIREMENT	CLOSING BALANCE
Margaret Towers	–	12,500	–	–	12,500
Ian Hunter	–	50,000	–	–	50,000
Richard Morath	–	6,250	–	–	6,250
Jim Clegg ¹	–	6,000	–	(6,000)	–

1 Retirement represents the number of options held by Jim Clegg on the date he retired as a director and therefore ceased to be a KMP.

30 JUNE 2022	OPENING BALANCE	ACQUISITIONS	DISPOSALS	RETIREMENT	CLOSING BALANCE
Margaret Towers	–	–	–	–	–
Ian Hunter	–	–	–	–	–
Richard Morath*	–	–	–	–	–
Jim Clegg*	–	–	–	–	–
Malcolm Halstead**	–	–	–	–	–

* Appointed 9 September 2021.

** Retired 8 September 2021.

Note 19. Contingent assets, liabilities and commitments to capital expenditure

No contingent assets and liabilities or commitments existed at 30 June 2023 or 30 June 2022.

Note 20. Events after the reporting period

Apart from the dividend determined as disclosed in Note 9, no other matter or circumstance has arisen since 30 June 2023 that has significantly affected or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs in future financial years.

DIRECTORS' DECLARATION

30 JUNE 2023

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 35 to 67 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year 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.

Note 1 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations required by section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of Directors made pursuant to section 295(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Margaret Towers
Chairperson



Ian Hunter
Director

17 August 2023
Sydney

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLATINUM ASIA INVESTMENTS LIMITED



Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Platinum Asia Investments Limited (the Company) is in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the statement of financial position as at 30 June 2023
- the statement of profit or loss and other comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the statement of cash flows for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

PricewaterhouseCoopers, ABN 52 780 433 757

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLATINUM ASIA INVESTMENTS LIMITED

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities* for the audit of the financial report section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

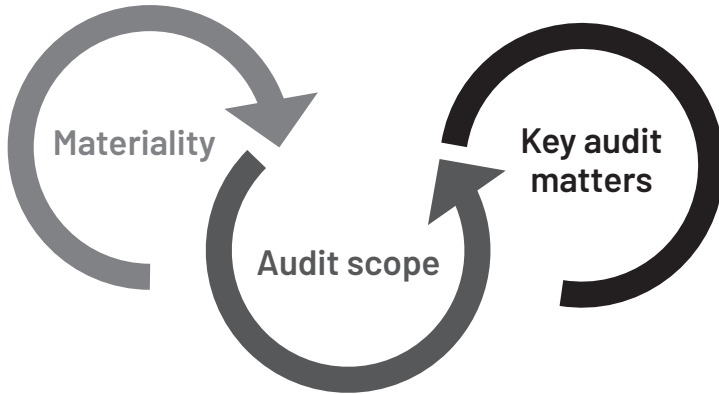
Independence

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 & 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 financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Company, its accounting processes and controls and the industry in which it operates.



MATERIALITY	AUDIT SCOPE	KEY AUDIT MATTERS
<ul style="list-style-type: none"> - For the purpose of our audit we used overall materiality of \$3.834m, which represents approximately 1% of the Company's net assets. - We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. 	<ul style="list-style-type: none"> - Our audit focused on areas where the Company made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. - Our audit approach reflects the nature of the investments held by the Company and the consideration of the work undertaken by third party service organisations. The administration, share registry and custody functions of the Company are conducted by third party service organisations. 	<ul style="list-style-type: none"> - Amongst other relevant topics, we communicated the following key audit matter to the Audit and Risk Committee: <ul style="list-style-type: none"> • Investment valuation and existence - This is further described in the <i>Key audit matters</i> section of our report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLATINUM ASIA INVESTMENTS LIMITED

MATERIALITY	AUDIT SCOPE	KEY AUDIT MATTERS
<ul style="list-style-type: none"> - We chose net assets because, in our view: <ul style="list-style-type: none"> • it is the metric against which the performance of the Company is most commonly measured, and • a generally accepted benchmark for listed investment companies. - We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds. 	<ul style="list-style-type: none"> - The Company's third party service organisations engaged an external auditor to provide assurance reports over the design and operating effectiveness of the third party service organisations' key internal controls. 	

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
<p data-bbox="150 370 508 394"><i>Investment valuation and existence</i></p> <p data-bbox="150 399 549 532"><i>Refer to Note 1 (summary of significant accounting policies) and Note 4 (financial assets and liabilities at fair value through profit or loss) and Note 15 (fair value measurement)</i></p> <p data-bbox="150 542 549 732">At 30 June 2023, investments in financial assets at fair value through profit or loss of \$346.013 million and financial liabilities at fair value through profit or loss of \$0.707 million were comprised primarily of investments in equity securities and derivative financial instruments.</p> <p data-bbox="150 748 549 1190">The existence and valuation of financial assets at fair value through profit or loss and financial liabilities at fair value through profit or loss was a key audit matter because they represent the principal elements of the statement of financial position in the financial statements, accounting for approximately 90.06% of net assets. A discrepancy in the valuation or existence of investments could cause net assets to be materially misstated which could also impact the Company's performance as the valuation and existence of investments is the main driver of movements in the profit of the Company.</p>	<p data-bbox="586 370 986 448">Our audit procedures over investment valuation included the following, amongst others:</p> <ul data-bbox="586 464 986 987" style="list-style-type: none"> <li data-bbox="586 464 986 542">– We developed an understanding of the Company's pricing policy and read the Securities Pricing Committee minutes. <li data-bbox="586 558 986 724">– For a sample of investments in level 1 equity securities and level 2 derivative financial instruments held by the Company, we obtained price data from third party price vendors and compared it to the prices used by the Company. <li data-bbox="586 740 986 987">– For level 2 participatory notes held by the Company, we obtained price data from third party price vendors for the underlying equity security of the participatory note in local currency. We translated the price into Australian dollars and compared it to the participatory note price used to value investments held by the Company. <p data-bbox="586 1003 949 1081">Our audit procedures over investment existence included the following, amongst others:</p> <ul data-bbox="586 1097 986 1438" style="list-style-type: none"> <li data-bbox="586 1097 986 1317">– We obtained the most recent System and Organization Controls ("SOC 1") Report issued by the custodian, setting out the controls in place at that service organisation, which included an independent assurance opinion over the design and operating effectiveness of those controls. <li data-bbox="586 1333 986 1438">– We assessed the service organisation's auditor's objectivity, experience, competency and the results of their procedures.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLATINUM ASIA INVESTMENTS LIMITED

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
	<ul style="list-style-type: none"> <li data-bbox="527 371 936 784">– We assessed the most recent SOC 1 report issued by the custodian by developing an understanding of the control objectives and associated control activities, evaluated the tests undertaken by the auditor and the results of these tests and the auditor’s conclusions on the design and operating effectiveness of the controls to the extent relevant to our audit of the Company. This report and assurance opinion are comparable to the Australian equivalent, Australian Standards on Assurance Engagement 3402 issued by the Auditing and Assurance Standards Board. <li data-bbox="527 805 936 964">– For investments held in custody, we obtained an investment holdings confirmation from the custodian as at 30 June 2023 and compared confirmed holdings to the accounting records of the Company. <p data-bbox="527 984 936 1084">We assessed the adequacy of the disclosures in the financial report in light of the requirements of Australian Accounting Standards.</p>

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor’s report thereon. Prior to the date of this auditor’s report, the other information we obtained included the company directory, shareholder information, investment structure, objectives and methodology, and directors’ report. We expect the remaining other information to be made available to us after the date of this auditor’s report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLATINUM ASIA INVESTMENTS LIMITED

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 29 to 33 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Platinum Asia Investments Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.



PricewaterhouseCoopers



CJ Cummins
Partner

17 August 2023
Sydney

