

Appendix 4D Half-year report

Listing Rule 4.2A

Company	Platinum Capital Limited
ASX Code	PMC
Period ended	31 December 2021
Previous corresponding period ended	31 December 2020
ABN	51 063 975 431

Results for Announcement to the Market

This announcement to the market should be read in conjunction with the 30 June 2021 Annual Financial Report and the 31 December 2021 Interim Financial Report.

	% Movement	\$A'000
Total investment income	-81.2%	10,464
Profit from ordinary activities after tax attributable to members	-86.8%	4,828
Net profit for the period attributable to members	-86.8%	4,828

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 the reported profits or losses. This is because the pre-tax NTA per share is the most accurate way to assess the investment performance of the Company's investment portfolio. For the 6 months to 31 December 2021, the Company's pre-tax NTA per share decreased from \$1.68 per share to \$1.64 per share. An increase due to investment performance of 2 cents per share was offset by the payment of 4 cents per share in dividends and the equivalent of 2 cents per share in tax paid during the half-year.

The Company's compound annualised investment returns to 31 December 2021 (measured by its pre-tax NTA) compared to the benchmark are shown in the table below:

Investment Performance	6 months	1 year	5 years (% p.a.)	10 years (% p.a.)	Since inception (% p.a.)
PMC's performance	1.3%	11.2%	8.8%	12.2%	11.6%
MSCI AC World Net Index in A\$ ⁱ	9.0%	25.8%	14.3%	15.8%	7.9%

Source: Platinum Investment Management Limited (PMC returns) and FactSet Research Systems (MSCI returns). Note: Returns are calculated after the deduction of fees and expenses, adjusted for taxes paid and any capital flows and assume the reinvestment of dividends. Inception date is 29 June 1994. Returns have not been calculated using the Company's share price. 6 month returns are not annualised. **Past performance is not a reliable indicator of future performance.**

This return was achieved with an average net invested position of 77%, due to the Investment Manager's positioning in a period of market uncertainty. As previously reported, such positioning stems from the Investment Manager being actively focused on avoiding permanent impairment of capital and managing the downside risks by adjusting cash levels and taking short positions as appropriate. This capability differentiates the Company from the index.

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 listed investment company market. However, the discount narrowed during the period, resulting in a total shareholder return of 2.3% including grossed up dividends for the 6 months ended 31 December 2021, exceeding the pre-tax NTA return for the same period.

The Investment Manager commented that *“the average P/E of PMC’s (long) investments is 12x, and for each company we hold, we believe their earnings will grow over the next three to five years and the portfolio will be able to produce good absolute returns over that period.”*

Dividends

The key features of the interim dividend declared by the Board are summarised in the table below:

Interim dividend declared	3 cents per share fully-franked
Ex-dividend date	24 February 2022
Record date	25 February 2022
The last date for receipt of election notices for the dividend reinvestment plan	28 February 2022
Payment date	18 March 2022

The interim dividend for the previous corresponding period was 3 cents per share fully-franked.

The Company’s ability to pay franked dividends is dependent on the Company paying income tax. At 31 December 2021, after providing for the 2022 fully-franked interim dividend of 3 cents per share, the Company had an ability to pay fully-franked dividends of up to 4.1 cents per share.

The Board has a policy of dividend smoothing and endeavours to ensure that there are franking credits available to pay fully-franked dividends in the future. The Company does not believe 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.

Dividend Reinvestment Plan

The Dividend Reinvestment Plan (“DRP”) is in operation and the interim dividend of 3 cents per share qualifies. Participating shareholders will be entitled to be allotted the number of shares (rounded down to the nearest whole number) which the cash dividend would otherwise purchase at the relevant issue price.

The relevant 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 DRP discount will apply to this dividend.

The terms and conditions of the DRP rules can be accessed at the Company’s website at: https://www.platinum.com.au/PlatinumSite/media/Find-a-form/pmc_drp_1.pdf

Further information

Refer to the attached financial statements for financial data on the Company.

Joanne Jefferies
Company Secretary
15 February 2022

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Platinum Capital Limited

ABN 51 063 975 431

**Interim Financial Report
For the half-year ended 31 December 2021**

**Platinum Capital Limited
Corporate Directory**

Directors	Margaret Towers Richard Morath Jim Clegg Ian Hunter (appointed 9 September 2021)
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 Capital 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 Fax +61 2 9254 5555
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	The securities of Platinum Capital Limited are listed on the Australian Securities Exchange (ASX code: PMC).
Website	www.platinum.com.au/Our-Products/All-Products/Platinum-Capital-Limited

Platinum Capital Limited
Directors' Report
31 December 2021

The Directors present their report, together with the interim financial statements of Platinum Capital Limited (the "Company") for the half-year ended 31 December 2021.

Directors

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

Margaret Towers	Chairperson and Independent Non-Executive Director
Richard Morath	Independent Non-Executive Director
Jim Clegg	Independent Non-Executive Director
Ian Hunter	Independent Non-Executive Director (appointed 9 September 2021)

Principal Activities

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

Operating and Financial Review

For the 6 months to 31 December 2021, the net profit before income tax was \$6,888,000 (31 December 2020: \$52,425,000) and net profit after income tax was \$4,828,000 (31 December 2020: \$36,488,000).

For the 6 months to 31 December 2021, the Company's investment portfolio delivered a return of 1.3%¹ (measured by its pre-tax NTA), compared to a return of 9.0% for the benchmark, the MSCI All Country World Net Index (MSCI) in \$A terms². This return was achieved with an average net invested position of 77%, due to the Investment Manager's positioning in a period of market uncertainty. As previously reported, such positioning stems from the Investment Manager being actively focused on avoiding permanent impairment of capital and managing the downside risks by adjusting cash levels and taking short positions as appropriate. This capability differentiates the Company from the index.

The Directors consider that 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 the reported profits. This is because the pre-tax NTA per share is the most accurate way to assess the investment performance of the Company's investment portfolio. For the 6 months to 31 December 2021, the company's pre-tax NTA decreased from \$1.68 to \$1.64. An increase due to investment performance of 2 cents per share was offset by the payment of 4 cents per share in dividends and 2 cents per share in tax paid during the half-year.

Total Shareholder Return (TSR) for the half-year, based on share price movement and grossed up dividends, between 1 July 2021 and 31 December 2021, was 2.3%. The TSR is higher than the pre-tax NTA return of 1.3% primarily due to a reduction in the discount of the share price to pre-tax NTA since 30 June 2021.

For the five years to 31 December 2021, the Company delivered an annualised compound return of 8.8% per annum, measured by the Company's pre-tax NTA, versus the MSCI return of 14.3%. The company's long-term (since inception) return of 11.6% per annum was approximately 3.7% greater than the MSCI return of 7.9% over the last 27 years.

¹ Source: Platinum Investment Management Limited (PMC returns) and FactSet Operating 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 Inc Disclaimer: Neither MSCI Inc nor any other party involved in or related to compiling, computing or creating the Index data (contained in this Financial Report) makes any express or implied warranties or representations with respect to such data (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability or fitness for a particular purpose with respect to any of such data. Without limiting any of the foregoing, in no event shall MSCI Inc, any of its affiliates or any third party involved in or related to compiling, computing or creating the data have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages. No further distribution or dissemination of the Index data is permitted without the express written consent of MSCI Inc.

Platinum Capital Limited
Directors' Report
31 December 2021

With regards to outlook, the Investment Manager reports that: *"PMC continues to maintain a conservative position, with a net invested position of 68% (10% cash, 22% shorts), reflecting our concerns about inflation and interest rates, and the level of speculative activity in markets.*

The last three years have seen a huge divergence in the performance and valuation between the much-loved growth and defensive names and the rest of the market. It is amongst these out-of-favour names where we continue to find opportunities."

The Investment Manager currently believes it is prudent to hold a reasonable level of net cash to take advantage of opportunities that may arise in the event of a significant market downturn.

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

COVID-19 has not had a direct impact on the ability of the Investment Manager to perform business activities. The Company has not received any COVID-19 related financial assistance or support.

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 listed investment company market. Pleasingly the discount has narrowed since 30 June 2021. At this stage the Directors do not see the need to take action on the on-market share buy-back announced in April 2021.

Another objective of the Company's capital management policy is to smooth dividends over time and retain some franking credits to enable payment of fully-franked dividends in the future. The Company does not believe 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 declared a 2022 fully-franked interim dividend of 3 cents per share (\$8,796,000), with a record date of 25 February 2022 and payable to shareholders on 18 March 2022, out of the dividend profit reserve. Together with the 2021 final dividend of 4 cents per share, this represents a fully franked dividend yield of 4.7% based on the 31 December 2021 closing share price. At 31 December 2021, the available franking credit balance after providing for the 2022 interim dividend would enable the payment of a fully-franked dividend up to 4.1 cents per share.

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 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 DRP discount will apply to the dividend.

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.


**Platinum Capital Limited
Directors' Report
31 December 2021**

Auditor's independence declaration

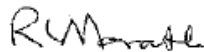
A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on the following page.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors



Margaret Towers
Chairperson
15 February 2022
Sydney



Richard Morath
Director



Auditor's Independence Declaration

As lead auditor for the review of Platinum Capital Limited for the half-year ended 31 December 2021, 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'CJ Cummins', written over a horizontal line.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
15 February 2022

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Platinum Capital Limited
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General information

The interim financial report is presented in Australian dollars, which is Platinum Capital Limited's functional and presentation currency.

Platinum Capital Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Level 8, 7 Macquarie Place
Sydney NSW 2000

The interim financial report was authorised for issue, in accordance with a resolution of Directors, on 15 February 2022.

Platinum Capital Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

	Note	Half-year ended	
		31 Dec 2021	31 Dec 2020
		\$'000	\$'000
Investment income			
Dividends		3,400	1,949
Interest income		11	-
Net gains/(losses) on equities, convertible notes, foreign currency forward contracts and other derivatives		5,621	57,819
Net foreign exchange gains/(losses) on overseas bank accounts		1,432	(4,246)
Total investment income		10,464	55,522
Expenses			
Management fees	10	(2,623)	(2,349)
Custody		(142)	(117)
Share registry		(54)	(51)
Continuous reporting disclosure		(106)	(58)
Directors' fees		(94)	(93)
Auditor's remuneration and other services		(66)	(60)
Interest expense		(36)	(18)
Brokerage costs		(111)	(95)
Transaction costs		(73)	(43)
Insurance		(183)	(145)
Other expenses		(88)	(68)
Total expenses		(3,576)	(3,097)
Profit/(loss) before income tax (expense)/benefit		6,888	52,425
Income tax (expense)/benefit		(2,060)	(15,937)
Profit/(loss) after income tax (expense)/benefit for the half-year attributable to the owners of Platinum Capital Limited		4,828	36,488
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income/(loss) for the half-year attributable to the owners of Platinum Capital Limited		4,828	36,488
Basic earnings per share (cents per share)	7	1.65	12.54
Diluted earnings per share (cents per share)	7	1.65	12.54

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

Platinum Capital Limited
Statement of financial position
As at 31 December 2021

	Note	As at	
		31 Dec 2021	30 June 2021
		\$'000	\$'000
Assets			
Cash at bank		1	8
Cash on deposit held within the portfolio		52,783	72,001
Receivables		843	1,307
Financial assets at fair value through profit or loss	3, 9	429,839	419,125
Total assets		483,466	492,441
Liabilities			
Payables		998	1,104
Financial liabilities at fair value through profit or loss	3, 9	2,420	1,276
Income tax payable	2(a)	3,495	4,767
Deferred tax liability	2(b)	15,522	18,861
Total liabilities		22,435	26,008
Net assets		461,031	466,433
Equity			
Issued capital	6	391,585	390,128
Accumulated losses		(50,807)	(50,807)
Dividend profit reserve	4	120,253	127,112
Total equity		461,031	466,433

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

Platinum Capital Limited
Statement of changes in equity
For the half-year ended 31 December 2021

	Note	Issued Capital \$'000	Accumulated Losses \$'000	Reserves \$'000	Total equity \$'000
Balance at 1 July 2021		390,128	(50,807)	127,112	466,433
Profit/(loss) after income tax (expense)/benefit for the half-year		-	4,828	-	4,828
Other comprehensive income/(loss) for the half-year, net of tax		-	-	-	-
Total comprehensive income/(loss) for the half-year		-	4,828	-	4,828
Transfer to dividend profit reserve	4	-	(4,828)	4,828	-
<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	6	1,457	-	-	1,457
Dividends paid	4, 5	-	-	(11,687)	(11,687)
Balance at 31 December 2021		391,585	(50,807)	120,253	461,031

	Note	Issued Capital \$'000	Accumulated Losses \$'000	Reserves \$'000	Total equity \$'000
Balance at 1 July 2020		387,838	(50,807)	76,298	413,329
Profit/(loss) after income tax (expense)/benefit for the half-year		-	36,488	-	36,488
Other comprehensive income for the half-year, net of tax		-	-	-	-
Total comprehensive income/(loss) for the half-year		-	36,488	-	36,488
Transfer to dividend profit reserve		-	(36,488)	36,488	-
<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	6	1,169	-	-	1,169
Dividends paid	5	-	-	(8,715)	(8,715)
Balance at 31 December 2020		389,007	(50,807)	104,071	442,271

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

Platinum Capital Limited
Statement of cash flows
For the half-year ended 31 December 2021

	Note	Half-year ended 31 Dec 2021 \$'000	31 Dec 2020 \$'000
Cash flows from operating activities			
Payments for purchase of financial assets		(166,342)	(132,651)
Proceeds from sale of financial assets		162,268	135,289
Dividends received		3,368	2,691
Interest paid		(22)	(2)
Management fees paid	10	(2,633)	(2,305)
Other expenses paid		(971)	(670)
Income tax refund received		-	2,940
Income tax paid		(6,095)	-
Net cash from/(used in) operating activities		(10,427)	5,292
Cash flows from financing activities			
Dividends paid - net of dividend reinvestment plan	5, 6	(10,256)	(7,581)
Proceeds from issue of shares in relation to unclaimed dividends	6	26	35
Net cash from/(used in) financing activities		(10,230)	(7,546)
Net increase/(decrease) in cash and cash equivalents		(20,657)	(2,254)
Cash and cash equivalents at the beginning of the half-year		72,009	52,554
Effects of exchange rate changes on cash and cash equivalents		1,432	(4,357)
Cash and cash equivalents at the end of the half-year		52,784	45,943

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

Platinum Capital Limited
Notes to the financial statements
For the half-year ended 31 December 2021

Note 1. Basis of Preparation of the Interim Financial Report

These financial statements for the interim reporting period ended 31 December 2021 have been prepared in accordance with Australian Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34: *Interim Financial Reporting*.

These financial statements for the half-year ended 31 December 2021 do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2021 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated. Comparative information has been revised where appropriate to enhance comparability. Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current period.

New 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 2021 that have a material impact on the amounts recognised in the prior periods or will affect the current or future periods.

Note 2. Income tax

(a) Income tax (payable)/receivable

The income tax receivable disclosed in the statement of financial position is comprised of:

	As at 31 Dec 2021 \$'000	As at 30 June 2021 \$'000
Current income tax provision (before foreign tax credits)	(5,267)	(8,915)
Foreign tax credits utilised	573	931
Current income tax provision	(4,694)	(7,984)
Income tax instalments paid	1,199	3,217
Income tax (payable)/receivable	<u>(3,495)</u>	<u>(4,767)</u>

(b) Recognition of deferred tax liability

The deferred tax liability figure in the statement of financial position is comprised of:

	As at 31 Dec 2021 \$'000	As at 30 June 2021 \$'000
Unrealised (gains)/losses on investments	(15,491)	(18,642)
Dividends accrued	(37)	(186)
Interest accrued	-	(77)
Expense accruals	6	44
Deferred tax asset/(liability)	<u>(15,522)</u>	<u>(18,861)</u>

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

Platinum Capital Limited
Notes to the financial statements
For the half-year ended 31 December 2021

Note 3. Financial assets and liabilities at fair value through profit or loss

	As at 31 Dec 2021 \$'000	As at 30 June 2021 \$'000
<i>Financial assets</i>		
Equity securities	429,015	411,686
Convertible notes	-	7,152
Derivatives	824	287
	429,839	419,125
<i>Financial liabilities</i>		
Derivatives	2,420	1,276
	2,420	1,276

Note 4. Dividend profit reserve

The Company may set aside some or all of its undistributed profits to a separate dividend profit reserve, to facilitate the payment of future franked dividends, rather than maintaining these profits within accumulated losses. The current period profit after tax was transferred to the dividend profit reserve. The balance of this reserve is as follows.

	As at 31 Dec 2021 \$'000	As at 30 June 2021 \$'000
Opening balance 1 July 2021 (1 July 2020)	127,112	76,298
Transfer of profit after income tax expense	4,828	68,272
Dividends paid	(11,687)	(17,458)
Closing balance	120,253	127,112

Note 5. Dividends

Dividends paid

Dividends paid during the half-year were as follows:

	Half-year ended 31 Dec 2021 \$'000	Half-year ended 31 Dec 2020 \$'000
Final dividend paid for the 2020 financial year (3 cents per ordinary share)	-	8,715
Final dividend paid for the 2021 financial year (4 cents per ordinary share)	11,687	-
	11,687	8,715

Dividends not recognised at half-year end

On 15 February 2022, the Directors declared a 2022 fully-franked interim dividend of 3 cents per share (\$8,796,000), with a record date of 25 February 2022 and payable to shareholders on 18 March 2022, out of the dividend profit reserve.

Platinum Capital Limited
Notes to the financial statements
For the half-year ended 31 December 2021

Note 5. Dividends (continued)

Franking credits

	31 Dec 2021	30 June 2021
	\$'000	\$'000
Franking credits available at the balance date based at a tax rate of 30%	5,374	4,280
Franking (debits)/credits that will arise from the tax (receivable)/payable at balance date based on a tax rate of 30%	3,495	4,767
Franking credits available for future dividends based on a tax rate of 30%	8,869	9,047
Franking debits that will arise from the payment of dividends declared subsequent to the balance date based on a tax rate of 30%	(3,770)	(5,009)
Net franking credits available based on a tax rate of 30%	5,099	4,038

At 31 December 2021, the available franking credit balance after providing for the 2022 interim dividend would enable the payment of a fully-franked dividend up to 4.1 cents per share.

Note 6. Issued capital

Shares on issue as at 31 December 2021 (and 30 June 2021) were as follows:

	31 Dec 2021	30 June 2021	31 Dec 2021	30 June 2021
	Shares	Shares	\$'000	\$'000
Ordinary shares – fully paid	293,185,574	292,186,708	391,585	390,128

Movements in ordinary share capital during the half-year were as follows:

Details	Date	Shares	\$'000
31 December 2021			
Balance	1 July 2021	292,186,708	390,128
Dividend reinvestment plan	16 Sep 2021	980,679	1,431
Reinvestment of unclaimed dividends (a)	8 October 2021	18,187	26
Balance	31 December 2021	293,185,574	391,585

Details	Date	Shares	\$'000
31 December 2020			
Balance	1 July 2020	290,485,178	387,838
Dividend reinvestment plan	13 September 2020	909,846	1,134
Reinvestment of unclaimed dividends (a)	27 September 2020	27,723	35
Balance	31 December 2020	291,422,747	389,007

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

Ordinary shares

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. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

Share buy-back

On 8 April 2021, the Company announced an on-market share buy-back program, in which shares will be bought-back, should the Board consider that such is in the interest of shareholders as a whole. No shares have been bought-back as at 31 December 2021.

Platinum Capital Limited
Notes to the financial statements
For the half-year ended 31 December 2021

Note 7. Earnings per share

	Half-year ended 31 Dec 2021 \$'000	Half-year ended 31 Dec 2020 \$'000
Profit after income tax attributable to the owners of Platinum Capital Limited	4,828	36,488
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	292,765,396	291,038,476
	Cents	Cents
Basic earnings per share	1.65	12.54
Diluted earnings per share	1.65	12.54

Note 8. 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.

	As at 31 Dec 2021 \$'000	As at 30 June 2021 \$'000
Post-tax Net Tangible Asset backing per statement of financial position	461,031	466,433
Adjustments	-	(56)
Post-tax Net Tangible Asset backing as reported to the ASX	461,031	466,377

Note 9. Fair value measurement

Fair value hierarchy

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 (consistent with the hierarchy model applied to financial assets and liabilities at 30 June 2021):

- 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.

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

As at 31 December 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Equity securities	410,491	14,259	4,265	429,015
Convertible notes	-	-	-	-
Derivatives	-	824	-	824
Total assets	-	15,083	4,265	429,839
Liabilities				
Derivatives	1,592	828	-	2,420
Total liabilities	1,592	828	-	2,420

Platinum Capital Limited
Notes to the financial statements
For the half-year ended 31 December 2021

Note 9. Fair value measurement (continued)

As at 30 June 2021	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Equity securities	382,389	27,511	1,786	411,686
Convertible notes	-	-	7,152	7,152
Derivatives	-	287	-	287
Total assets	382,389	27,798	8,938	419,125
Liabilities				
Derivatives	28	1,248	-	1,276
Total liabilities	28	1,248	-	1,276

Level 3 Assets

As at 31 December 2021, the Company held A\$4,265,051 in Zimbabwean securities (based on the value estimated by the Investment Manager), which constituted approximately 1.00% (31 December 2020: 0.15%) of the Company's total fair value of investments at 31 December 2021. Whilst the Reserve Bank of Zimbabwe publishes an official daily ZWL exchange rate, there are restrictions which limit the liquidity of the ZWL. Hence, the Investment Manager used an exchange rate which incorporates a liquidity discount arising from the restrictions on repatriating funds out of Zimbabwe. As a result of this manual adjustment to the ZWL price quoted on the Zimbabwe stock exchange, in order to derive or translate the local currency fair value into Australian Dollars, the Zimbabwean securities have been classified as Level 3 for the purposes of applying the fair value hierarchy model at 31 December 2021 and were also classified as Level 3 at 30 June 2021. The value of Zimbabwean securities recorded in the statement of financial position was 45% lower than the value that would have applied if the 31 December 2021 official ZWL exchange rate for these securities in A\$ had been used when preparing the Company's statement of financial position.

On 17 November 2021, the Company's interest in convertible notes issued by Iris Energy Pty Ltd ("Iris") converted to equity with Iris listing on the NASDAQ. The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. Accordingly, the interest in Iris was transferred to level 1 at the 31 December 2021 fair value. The fair value at 31 December 2021 was \$14,147,000 using the quoted price.

Below is a table showing the Level 3 fair value movement during the period.

	6 months ended 31 Dec 21 \$'000	12 months ended 30 Jun 21 \$'000
Opening balance	8,938	1,134
Transfers to level 1	(14,147)	-
Purchases during the year	-	6,896
Sales during the year	(217)	(349)
Gains/(losses) during the year ¹	9,691	1,257
Level 3 closing balance	4,265	8,938

¹ Includes unrealised gains/(losses) recognised in profit or loss attributable to balances held at the end of the reporting period.

Valuation process

The valuation of each investment that the Company holds is the primary responsibility of the Investment Manager. The Investment Manager's Securities Pricing Committee has authority to review and approve valuation methodologies to be applied to determine the fair values of portfolio securities and other assets held by the Company for which no quoted market price is readily available, and to make recommendations to the Board.

The Securities Pricing Committee also assesses whether an adjustment is required to the quoted market price of any security, if it is considered that the quoted market price is not reasonable (for example securities with a so-called "stale" price). A register is maintained documenting the valuation used and the basis for the valuation of any security or investment that may be manually adjusted or manually priced. The Securities Pricing Committee meets on a quarterly basis, and also on an ad hoc basis as is required.

Platinum Capital Limited
Notes to the financial statements
For the half-year ended 31 December 2021

Note 9. Fair value measurement (continued)

Fair value of financial instruments not carried at fair value

The carrying value of trade receivables and trade payables are assumed to approximate their fair values.

Note 10. Investment Manager Fees

The Investment Manager receives a monthly management fee for investment services provided in accordance with the Investment Management Agreement. This Agreement provides for a management fee payable monthly and calculated at 1.1% (June 2021: 1.1%) per annum of the adjusted portfolio value (which includes cash and deposits).

A performance fee is payable at 15%, at 30 June, of the amount by which the portfolio's annual performance exceeds the return achieved by the MSCI (MSCI is the Morgan Stanley Capital International All Country World Net Index in \$A). Where the portfolio's annual performance is less than the MSCI, the amount of the underperformance is aggregated, carried forward and deducted from the annual performance in the subsequent year before calculating any performance fee for that year. The aggregate underperformance is carried forward until a performance fee becomes payable.

For the 6 months to 31 December 2021, pre-tax performance of the portfolio was 1.3%³ and the corresponding MSCI was 9.0%. This represents an underperformance of 7.7% against the MSCI for the current half-year. Taking into account the aggregate underperformance of 33.3% from the prior periods, no performance fee has been accrued. A total aggregate underperformance of 41.0% will need to be made up before a performance fee will be payable.

Management fees and performance fees paid and payable for the half-year ended 31 December 2021 is shown below:

	Half year ended 31 Dec 2021	Half year ended 31 Dec 2020
	\$	\$
Management fee expense	2,622,809	2,348,671
Management fees paid	2,632,776	2,305,085
Management fee payable	440,019	418,444

In the event of termination of the Agreement 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.

Note 11. Events after the reporting period

Apart from the dividend declared on 15 February 2022, as set out in Note 5 and the Directors' report, no other significant matter or circumstance has arisen since 31 December 2021 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.

³ This figure represents the 6 month return of the "Portfolio Value" (as defined in of the Investment Management Agreement), which is defined as the aggregate value of each asset or investment of the Company's portfolio. This may differ from the Company's 6 month pre-tax NTA return of 1.3% referred to in the Directors' Report, which also includes non-portfolio and non-investment related assets and liabilities.

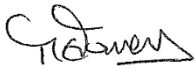
Platinum Capital Limited
Directors' Declaration
31 December 2021

In the Directors' opinion:

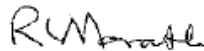
- the attached financial statements and notes, set out on pages 7 to 16, comply with the *Corporations Act 2001*, Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the *Corporations Act 2001*.

On behalf of the Directors

A handwritten signature in black ink, appearing to read "M Towers".

Margaret Towers
Chairperson

A handwritten signature in black ink, appearing to read "R Morath".

Richard Morath
Director

15 February 2022
Sydney



Independent auditor's review report to the members of Platinum Capital Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Platinum Capital Limited (the Company) which comprises the statement of financial position as at 31 December 2021, the statement of changes in equity, statement of cash flows and statement of profit or loss and other comprehensive income for the half-year ended on that date, significant accounting policies and explanatory notes and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Platinum Capital Limited does not comply with the *Corporations Act 2001* including:

1. giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibilities of the directors for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Company's financial position as at 31 December 2021 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'CJ Cummins', written in a cursive style.

CJ Cummins
Partner

Sydney
15 February 2022