Platinum Asia Investments Limited

ABN 13 606 647 358

Quarterly Investment Manager's Report

31 March 2025

Platinum®
ASIA INVESTMENTS LIMITED

Investment Update

Platinum Asia Investments Limited (ASX Code: PAI)

Cameron Robertson
Portfolio Manager

Overview

- Portfolio performance was boosted by a strong performance from Chinese stocks including our core technology holdings such as **Tencent** and **Alibaba**. Korean semiconductor manufacturer **SK hynix** also performed well.
- Tariff threats loom over the Asia region – as they do over most of the world's markets. However we remain positive. We have focused the portfolio on domestically oriented businesses and valuations remain attractive.
- There are some green shoots in China. The arrival of DeepSeek reminded investors that China is more than capable of competing on AI. We're also seeing some stabilisation in the Chinese property market. Chinese stocks were up strongly over the year to end March.

Performance

compound p.a.*, to 31 March 2025

	QUARTER	1YR	3YRS	5YRS	SINCE INCEPTION
Platinum Asia (PAI)	1.7%	14.7%	7.3%	6.6%	7.6%
MSCI AC Asia ex Jp Index^	1.2%	16.6%	8.3%	6.8%	7.8%

PAI's returns are calculated using PAI's pre-tax net tangible asset (NTA) backing per share as released to the ASX monthly. PAI's returns are calculated after the deduction of fees and expenses, have been adjusted for taxes paid and any capital flows, and assume the reinvestment of dividends.
PAI's returns are not calculated using PAI's share price.
Portfolio inception date: 15 September 2015.
* Excluding quarterly returns.
^ Index returns refer to MSCI All Country Asia ex Japan Net Index in AUD.
Historical performance is not a reliable indicator of future performance.
Source: Platinum Investment Management Limited for PAI's returns; FactSet Research Systems for Index returns. See note 1, page 7.

Net Tangible Assets

The following net tangible asset backing per share (NTA) figures of Platinum Asia Investments Limited (PAI) are, respectively, before and after provision for tax on both realised and unrealised income and capital gains.

	PRE-TAX NTA	POST-TAX NTA
31 December 2024	$1.1247	$1.0988
31 January 2025	$1.1294	$1.1020
28 February 2025*	$1.1487	$1.1150
31 March 2025	$1.1350	$1.1043

* Ex-dividend. Adjusted for the 30 December 2024 Interim dividend of 0.5 cents per share, declared on 27 February 2025 and paid on 21 March 2025.
Source: Platinum Investment Management Limited.

The first quarter of 2025 saw the portfolio return +1.7%.

The quarter saw strong performance in the Hong Kong stock market, most notably Chinese technology companies, while the broader Chinese market was a little soft. Given the ongoing political situation playing out in Korea, it was a pleasing to see markets look through the noise and perform well. Meanwhile Taiwan and South-East Asian markets were weaker.

With Trump returning to the US President's office, the topic of tariffs hung over markets during the quarter, although most of the action on that front is happening post-quarter-end as I'm writing this update (touched on in the Outlook section).

Strong contributions from several key Chinese technology holdings (**Tencent**, **Alibaba**, **Kuaishou**, **JD.com**) and Korean semiconductor manufacturer **SK hynix** were instrumental to the portfolio's outperformance. These gains helped offset weaker performance from holdings such as Taiwanese technology giant **TSMC**, Philippine developer **Ayala Land** and Indonesian sportswear retailer **Map Aktif**.

During the quarter we initiated a position in Korean maritime services company **HD Hyundai Marine Solution**. We capitalised on a surge in Chinese photo-editing app **Meitu**, selling our position after a rapid gain.

Commentary – watching trade developments

The return of Donald Trump to the US presidency has brought international trade policy back into sharp focus. While potential tariff impacts have been a key discussion point, direct consequences for Asian economies were relatively contained during Q1. In the first few days of April we have seen further tariff announcements out of Washington and uncertainty is likely to remain a feature of the global trade environment for the foreseeable future. This is a particularly challenging backdrop for export-heavy sectors. We had positioned our portfolio to favour companies geared towards domestic demand within Asia. This offered some insulation from direct US tariff impacts.

China: AI boosts tech; financials stabilise

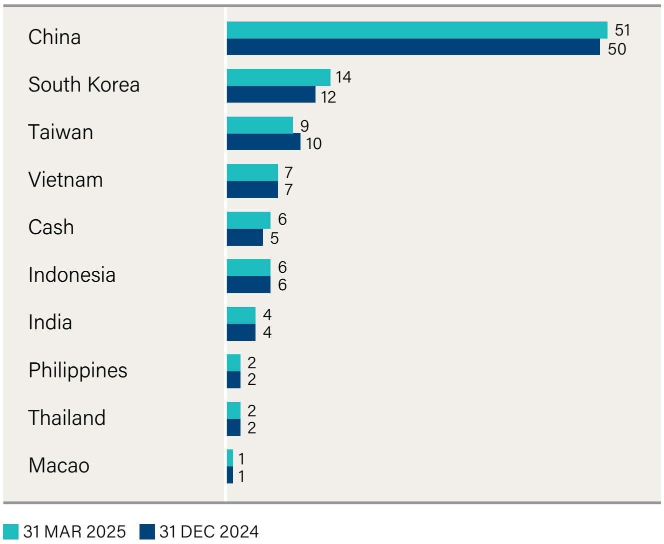
China presented a mixed picture. A major positive was the excitement surrounding domestic AI advancements, sparked by the global attention given to highly capable large language models like 'DeepSeek'. This catalysed strong performance in several of our key Chinese internet and technology holdings, including significant positive contributions from Tencent, Alibaba, Kuaishou and JD.com.

The AI enthusiasm also led to sharp rallies in related names. For instance, photo-editing app Meitu surged due to market excitement about its AI features, providing a timely opportunity for us to exit the position at a healthy profit. We also modestly trimmed some other Chinese technology holdings that benefited from the rally.

Separately, we saw further evidence of a gradual stabilisation in China's property sector and financial system sentiment. While nationwide new home prices continued to decline year-on-year, the pace slowed notably in early 2025, with monthly prices largely flat and even rising in a couple of key cities. Reflecting this improved sentiment and the associated reduction in systemic risks, financial holdings performed well, with **China Merchants Bank**, for example, rising circa 15% during the quarter and contributing positively to portfolio performance.

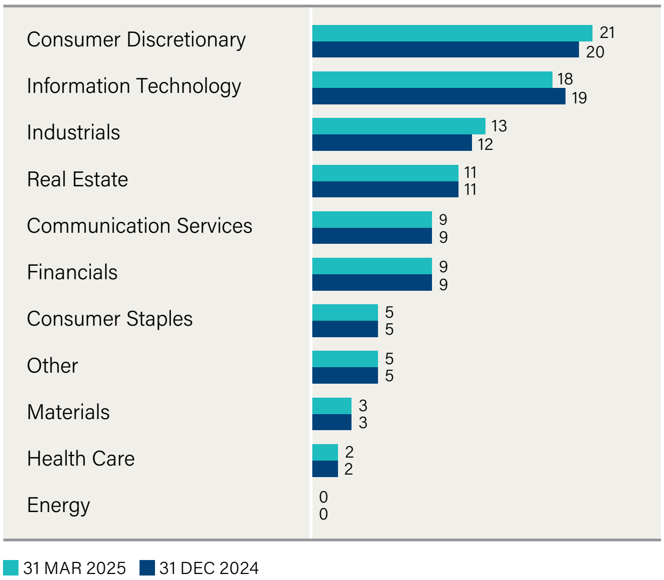
Outside these areas, the performance of our Chinese holdings was varied. Prosthetic joint manufacturer **AK Medical** gained on a sharp improvement in profits. Travel booking site **Trip.com** and grocery delivery service **Dingdong** saw their shares decline.

Disposition of Assets %



See note 2, page 7. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Net Sector Exposures %



See note 3, page 7. Numerical figures have been subject to rounding.
Source: Platinum Investment Management Limited.

Top 10 Holdings

COMPANY	COUNTRY	INDUSTRY	WEIGHT
Taiwan Semiconductor	Taiwan	Info Technology	8.0%
JD.com Inc	China	Cons Discretionary	5.8%
Tencent Holdings Ltd	China	Comm Services	5.5%
SK hynix Inc	South Korea	Info Technology	5.3%
Vietnam Ent Investments	Vietnam	Other	4.5%
ZTO Express Cayman Inc	China	Industrials	3.9%
China Merchants Bank Co	China	Financials	3.9%
Samsung Electronics Co	South Korea	Info Technology	3.9%
Ping An Insurance Group	China	Financials	3.8%
China Resources Land Ltd	China	Real Estate	3.1%

As at 31 March 2025. See note 4, page 7.
Source: Platinum Investment Management Limited.

Korea: resilience amidst uncertainty

Despite lingering domestic political uncertainty, the South Korean market held up reasonably well. Corporate activity provided some stock-specific drivers at companies like water purifier business **Coway**, where activist investor attention drew a commitment to increase the dividend payout ratio. As a result the stock performed well. Food company **Orion** also delivered steady gains, seemingly on positive sales data.

Other positive contributors from Korea were SK hynix and **Samsung**. The global AI stock rally moderated late in the quarter and this contributed to weakness in TSMC, a significant long-term holding which was a detractor from returns this quarter. However, Korean memory makers were relatively resilient. This reflected, in part, an improved outlook for memory demand and the potential benefits from US export controls hitting Chinese competition. There was growing market enthusiasm for Samsung's progress in high-bandwidth memory (HBM), though Samsung has yet to receive qualifications to be incorporated into the latest Nvidia products. Our holding in Soulbrain, which provides chemicals used in Samsung's manufacturing process, also benefited.

During the quarter, we established a new position in **HD Hyundai Marine Solution**. This recent spin-off from the HD Hyundai group is a leader in ship after-market servicing, providing parts and services critical to vessel operations. It enjoys a strong market position and is the monopoly parts provider for Hyundai engines. With few analysts covering the stock, we believe its quality attributes may be underappreciated by the market and this offered us an attractive entry point. We funded this buy, in part, by exiting our position in **LG Chem**.

India: a quiet quarter

Indian shares had a relatively subdued quarter, starting out weak before recovering to finish broadly flat. Our holdings reflected this, with **Interglobe Aviation** rising, while **Macrotech Developers** fell.

South-East Asia: headwinds persist

SE Asian markets generally struggled due to renewed US dollar strength and some country-specific concerns. A number of holdings declined, including Ayala Land (Philippines) and Map Aktif (Indonesia). Other Indonesian holdings like **Pakuwon Jati** and **Merdeka Battery Materials** also weakened. In many cases the companies appear to be performing perfectly well operationally. However, broader market and regional concerns dragged the shares lower.

Outlook

Looking ahead, we face known uncertainties such as shifts in US trade policy, rapid technological evolution and changing regional economic momentum. The constant flux in tariff discussions makes the current environment particularly challenging for global businesses that sell into or operate within the US.

Why? Because running a business effectively requires the ability to make long-term investment decisions about capability and capacity. That's difficult without clarity on the medium-to-long-term 'rules of the road' regarding trade. This confusion and resulting inaction will create knock-on effects, potentially slowing global economic activity.

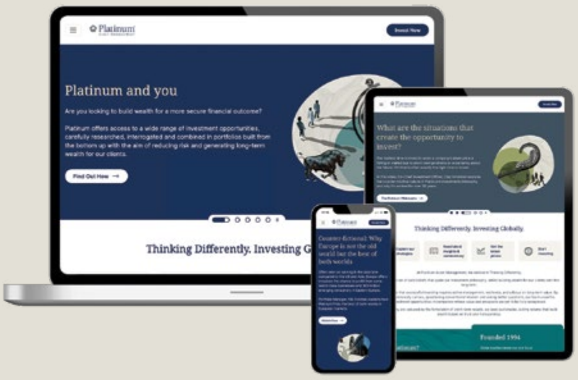
While our portfolio is positioned to minimise direct impacts from tariffs, the broader economic environment is an unavoidable reality for investors. However, we find comfort in Asia's domestic markets. Many have been relatively subdued, meaning sales and margins aren't cyclically high, valuations are often low and there appears to be room for domestic recovery, even independent of the global trade situation.

We believe Asia continues to present compelling opportunities for disciplined, long-term investors. We are confident our portfolio is well-positioned to generate value for investors over time.

Highlights from The Journal

Visit www.platinum.com.au/lics/pai to find a repository of information about Platinum Asia Investments Limited (PAI) including:

- Performance and NTA history
- Dividend history and the Dividend Reinvestment Plan
- ASX releases and financial statements
- Monthly updates on performance, portfolio positioning and top 10 holdings.



The Journal section of the Platinum website features articles and videos that help explain recent market moves, explore investing ideas and keep you up to date with our Funds. Here's some recent highlights.

ARTICLE

Market Update: the great rotation begins?[1]

Platinum looks at why global equity investors were moving away from the Magnificent Seven – and US equity markets – even before President Trump's great tariff experiment.

ARTICLE

Europe 2025: don't waste a crisis[2]

The US/Europe alliance is being reshaped by a US administration that's pushing both tariffs and more defence responsibility on the Europeans. Could that be good news for Europe – and investors?

ARTICLE

Some Emerging Markets are more equal than others[3]

Australian investors often overload on their home market champions – banks and miners. That's why exposure to the more diverse industries in Emerging Markets can be a good strategy. But is there a more efficient way to capture the benefits of Emerging Markets?

VIDEO

Hiking margins[4]

Nik Dvornak talks us through the Amer Sports story and explains how the company prospers by selling sports clothing at luxury goods margins.

ARTICLE

SaaS stocks: who dares to win?[5]

Software as a Service has transformed the software sector. But what makes a SaaS company a winner?

1 www.platinum.com.au/the-journal/market-update-the-great-rotation-begins
2 www.platinum.com.au/the-journal/europe-2025-don%E2%80%99t-waste-a-crisis
3 www.platinum.com.au/the-journal/some-emerging-markets-are-more-equal-than-others
4 www.platinum.com.au/the-journal/hiking-margins
5 www.platinum.com.au/the-journal/saaswatch

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Some numerical figures in this publication have been subject to rounding adjustments. References to individual stock or index performance are in local currency terms, unless otherwise specified.

1. PAI's returns are calculated by Platinum using PAI's pre-tax net tangible asset (NTA) backing per share (as released to the ASX monthly). PAI's returns are calculated after the deduction of fees and expenses, have been adjusted for taxes paid and any capital flows, and assume the reinvestment of dividends. **PAI's returns have not been calculated using PAI's share price.**

   The MSCI index returns are in AUD, are inclusive of net official dividends, but do not reflect fees or expenses. MSCI index returns are sourced from FactSet Research Systems. Platinum does not invest by reference to the weightings of the specified MSCI index. As a result, PAI's holdings may vary considerably to the make-up of the specified MSCI index. MSCI index returns are provided as a reference only. The investment returns shown are historical and no warranty is given for future performance. Historical performance is not a reliable indicator of future performance. Due to the volatility in PAI's underlying assets and other risk factors associated with investing, investment returns can be negative, particularly in the short-term.
2. The geographic disposition of assets (i.e. other than "cash" and "shorts") shows PAI's exposures to the relevant countries/regions through its long securities positions and long securities/index derivative positions, as a percentage of its portfolio market value. Country classifications for securities reflect Bloomberg's "country of risk" designations. "Shorts" show PAI's exposure to its short securities positions and short securities/index derivative positions, as a percentage of its portfolio market value. "Cash" in this table includes cash at bank, cash payables and receivables and cash exposures through long derivative transactions.
3. The table shows PAI's net exposures to the relevant sectors through its long and short securities positions and long and short securities/index derivative positions, as a percentage of its portfolio market value. Index positions (whether through ETFs or derivatives) are only included under the relevant sector if they are sector specific, otherwise they are included under "Other".
4. The table shows PAI's top ten positions as a percentage of its portfolio market value taking into account its long securities positions and long securities derivative positions.

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