

2 November 2023

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

**Platinum Asia Investments Limited (PAI)**  
**2023 Annual General Meeting Chair's Address and Presentation Slides**

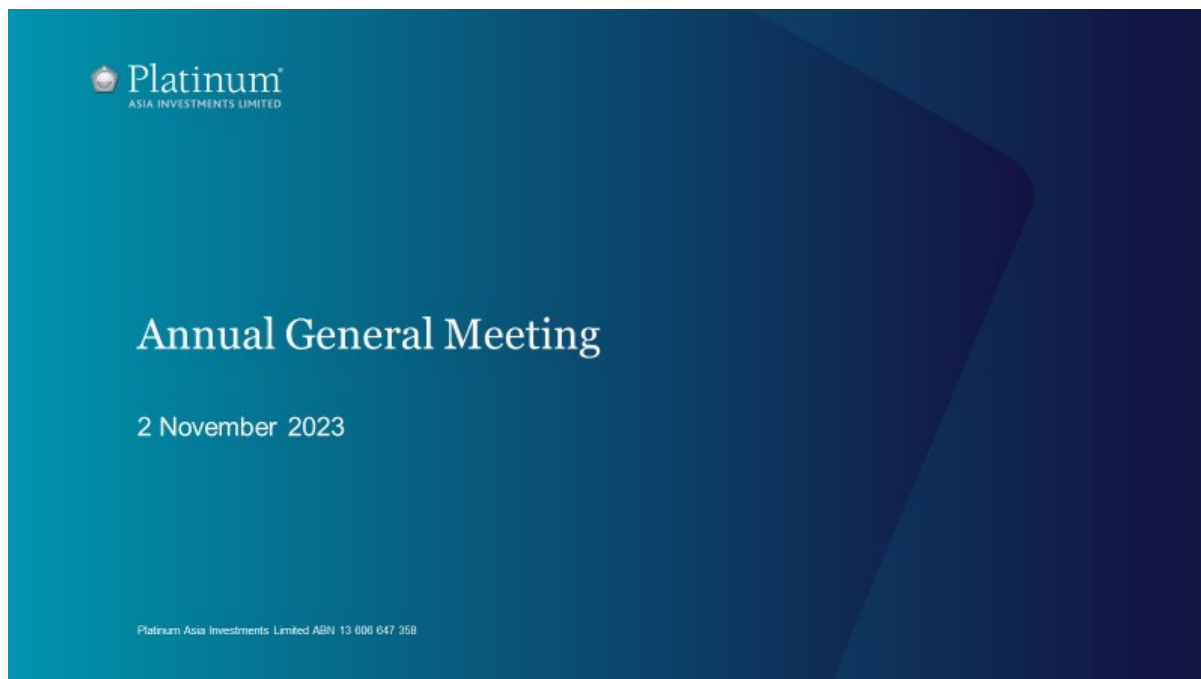
PAI will be holding its Annual General Meeting (AGM) at 10.00am (AEDT) today. Attached are copies of the Chair's address and associated presentation slides to be given at the AGM.

Authorised by  
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# Platinum Asia Investments Limited, 2023 Annual General Meeting – Chairperson's address

## Introduction



Good morning Ladies and Gentlemen and welcome to today's Annual General Meeting, whether you are joining us in-person or remotely. My name is Margaret Towers and I am pleased to address you as a Director and Chair of Platinum Asia Investments Limited.

I would like to begin by acknowledging that I am speaking to you today from the land of the Gadigal people of the Eora nation. I also acknowledge the traditional custodians of the various lands from which each of you are joining the meeting today. I pay my respects to their Elders past, present and emerging.

It is now 10:00am (AEDT), the appointed time for holding the meeting and I am advised that the necessary quorum is present. I therefore declare the meeting open.

This year we are again holding our AGM as a hybrid meeting, which gives you, our Shareholders, the opportunity to attend the meeting in-person or virtually. We hope that in doing so, we have been able to encourage broader participation amongst our Shareholders.

Before we proceed, I have a couple of house-keeping items to address.

- Firstly, I would appreciate that those attending in-person ensure their mobile phones are turned to silent;
- For those joining us virtually, through the online platform, you will be able to see the live stream on the left side of your screen and the slides being presented will appear on the right. At the bottom of the screen you have buttons for 'Get a Voting Card' and 'Ask a Question' along with the Notice of Meeting and Online Meeting Guide. Please submit your votes online at any time during the meeting.
- I encourage Shareholders who would like to ask a question and are joining us virtually, to enter your questions now so that we are able to address these under the relevant items of business later in the meeting.

- For Shareholders who wish to utilise the teleconference facility, you must use your unique phone PIN provided by Link Market Services. If you don't have a phone PIN and would like to ask a question via the phone, please contact Link on +61 1800 990 363. When you dial in via the phone line, you will be asked to mute your online sound and listen to the meeting by phone. If you wish to ask a question, you will need to dial 'STAR 1' on your keypad - that will indicate to the moderator you wish to ask a question. The moderator will require your name and will introduce you, prompting you to ask your question by unmuting your line at the relevant time.
- I will endeavour to answer all relevant questions from Shareholders during today's meeting. The order for taking questions will be as follows:
  - Firstly, from any Shareholder attending in-person;
  - Secondly, from any Shareholder who has submitted a question online; and
  - Thirdly, from any Shareholder using the teleconference facility.
 Shareholder questions received prior to the meeting which are relevant to the business of the meeting, will also be addressed.
- Voting will remain open during the formal business of the Meeting. I will give you a warning when voting is about to close.
- Cameron Robertson, the Company's co-portfolio manager, will deliver an informal address and discuss his market outlook after the conclusion of the formal business of the Meeting. He will also take any investment-related questions that you may have.
- Lastly, a recording of my address and the market update by Cameron will be made available on Platinum's website in the next few days.

Now to the formal business of the meeting.

Please allow me to introduce my fellow Board members:

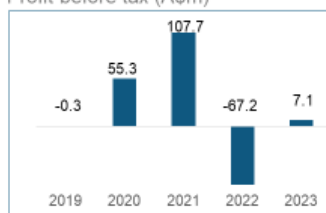
- Ian Hunter – independent non-executive director and Chair of the Audit, Risk and Compliance Committee; and
- Dick Morath – independent non-executive director and member of the Audit, Risk and Compliance Committee.

Joining us today from the Company's investment manager, Platinum Asset Management, is Cameron Robertson – the co-portfolio manager of the Company's investment portfolio.

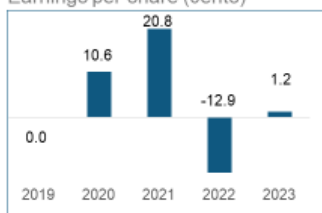
We also have present, the PricewaterhouseCoopers' partner in charge of the audit of our 2023 financial statements and statutory reports, Craig Cummins. Craig will be available to answer any questions you may have in relation to the conduct of the audit, later in the meeting.

## Financial summary

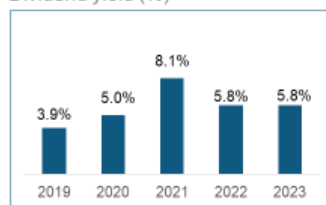
Profit before tax (A\$m)



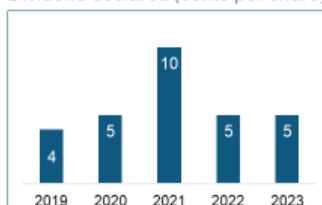
Earnings per share (cents)



Dividend yield (%)



Dividend declared (cents per share)



2 Results for the financial years ended 30 June. Dividend yields based on the closing price on the ASX at 30 June of each year. Source: Platinum Investment Management Limited ("Platinum").



Firstly, turning to the financial results and investment performance 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 for the financial year ended 30 June 2023.

This was achieved during a challenging and volatile period as China emerged from lockdown, which provided an initial rebound in the portfolio's Chinese company valuations during the middle of the year before investor sentiment changed as China's forecast growth came under pressure.

As you can see from the charts on the slide, our earnings per share over the past five years have ranged from 20.8 cps to -12.9cps. The benefit of the listed investment company structure allows us to smooth your dividend despite this volatility.

## Investment performance

as at 30 June 2023

| Period                            | Pre-Tax NTA Return* | MSCI AC Asia ex Japan Net Index (\$A) |
|-----------------------------------|---------------------|---------------------------------------|
| 1 year                            | 1.8%                | 2.1%                                  |
| 3 years (compound p.a.)           | 3.1%                | 2.3%                                  |
| 5 years (compound p.a.)           | 4.7%                | 3.1%                                  |
| Since inception** (compound p.a.) | 7.1%                | 6.5%                                  |

\*The pre-tax NTA returns are calculated using the Company's pre-tax net tangible asset backing per share for the specified period (as released to the ASX) and represent the combined capital and income return of the Company's investments after the deduction of fees and expenses, adjusted for corporate taxes paid (i.e. corporate taxes paid are added back to the portfolio value) and any capital flows, and assumes the reinvestment of all dividends. Returns are not calculated using the Company's share price.

\*\* 15 September 2015.

3 Source: Platinum Investment Management Limited ("Platinum") for Company returns and FactSet Research Systems for index returns. Past performance is not a reliable indicator of future performance.



As previously stated, the Board maintains that the most appropriate measure of the Company's investment performance is the percentage change in its pre-tax net tangible assets or "NTA". On

this measure, the Company delivered an investment return of 1.8% for the year ended 30 June 2023, after fees and expenses, adjusted for corporate taxes paid, capital flows and assuming the reinvestment of dividends. The Company's return during this period was delivered with an average net invested position of 88%. The MSCI AC Asia ex-Japan Net index (in \$A) returned 2.1% over the same timeframe.

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).

Looking at the Company's investment returns over longer time horizons to 30 June 2023 (measured by its pre-tax NTA), the Company has successfully outperformed the index over both 3 and 5 years and also since inception, delivering annualised investment returns of 3.1%, 4.7% and 7.1% respectively. The MSCI index delivered annualised returns of 2.3%, 3.1% and 6.5% over the same time periods. This is a solid result, with Platinum's differentiated investment approach continuing to deliver strong investment outperformance over the medium to long term.

### Country exposure vis a vis the MSCI AC Asia ex-Japan index (as at 30 September 2023)

| Country            | Platinum Asia Investments Limited |                 |                |               | MSCI AC Asia ex Japan |
|--------------------|-----------------------------------|-----------------|----------------|---------------|-----------------------|
|                    | Long Positions                    | Short Positions | Cash & Liquids | Grand Total   |                       |
| China              | 46.8%                             |                 |                | 46.8%         | 34.5%                 |
| Korea              | 13.3%                             | -0.6%           |                | 12.8%         | 14.0%                 |
| Vietnam            | 7.3%                              |                 |                | 7.3%          | 0.0%                  |
| India              | 7.2%                              | -0.3%           |                | 6.9%          | 18.1%                 |
| Taiwan             | 6.0%                              |                 |                | 6.0%          | 16.9%                 |
| Philippines        | 2.9%                              |                 |                | 2.9%          | 0.7%                  |
| Indonesia          | 2.5%                              |                 |                | 2.5%          | 2.3%                  |
| Hong Kong          | 2.4%                              |                 |                | 2.4%          | 6.0%                  |
| Thailand           | 1.7%                              |                 |                | 1.7%          | 2.1%                  |
| Singapore          | 1.1%                              |                 |                | 1.1%          | 3.8%                  |
| Macao              | 0.9%                              |                 |                | 0.9%          | 0.0%                  |
| Malaysia           |                                   |                 |                | 0.0%          | 1.6%                  |
| Cash & Liquids     |                                   |                 | 8.9%           | 8.9%          | 0.0%                  |
| <b>Grand Total</b> | <b>92.0%</b>                      | <b>-0.9%</b>    | <b>8.9%</b>    | <b>100.0%</b> | <b>100.0%</b>         |

4 Source: Platinum Investment Management Limited and Rimas Technologies



Platinum's investment style provides Shareholders with a portfolio of investments quite differentiated from the constituents of the MSCI index. For example, the slide shows the Company's and the index's country weightings as at 30 September 2023. The Company's portfolio has a higher weighting towards China and consequently is underweight some of the other Asian markets. Whilst this geographic allocation has caused a drag on the portfolio's performance, as investor sentiment towards China has reduced, the investment manager's stock selection has compensated for this.

## Top 10 holdings vs the MSCI AC Asia ex-Japan index (as at 30 September 2023)

| PlatinumAsia Investments Limited |      | MSCI AC Asia ex Japan    |      |
|----------------------------------|------|--------------------------|------|
| Taiwan Semiconductor             | 5.3% | Taiwan Semiconductor Mfg | 7.0% |
| Samsung Electronics Co           | 5.2% | Tencent Holdings Li (Cn) | 4.6% |
| Vietnam Ent Investments          | 5.0% | Samsung Electronics Co   | 4.3% |
| ZTO Express Cayman Inc           | 4.8% | Alibaba Grp Hldg (Hk)    | 3.2% |
| SK Hynix Inc                     | 4.3% | Aia Group                | 1.7% |
| Ping An Insurance Group          | 4.3% | Reliance Industries      | 1.5% |
| InterGlobe Aviation Ltd          | 4.2% | Meituan B                | 1.3% |
| China Resources Land Ltd         | 3.3% | Icici Bank               | 1.1% |
| Tencent Holdings Ltd             | 3.2% | Pdd Holdings A Adr       | 1.0% |
| Midea Group Co Ltd               | 3.0% | Infosys                  | 1.0% |

5 Source: Platinum Investment Management Limited and Rimes Technologies

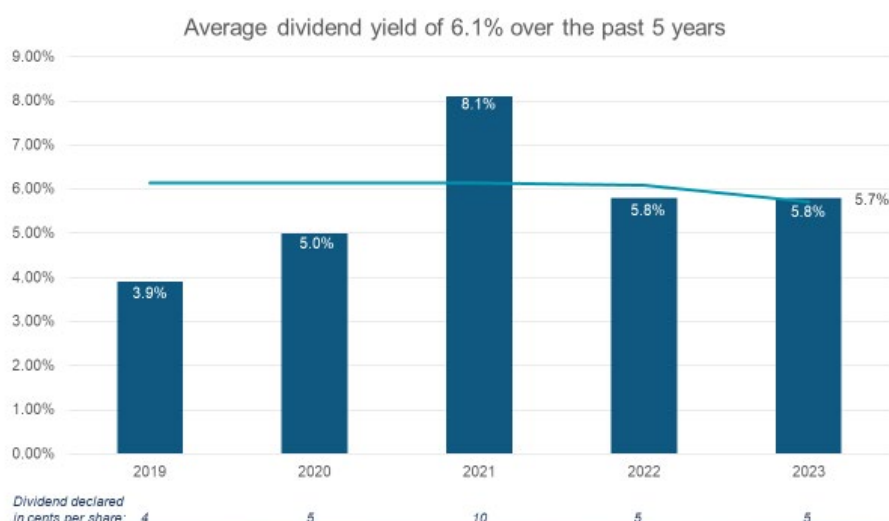
The next slide shows the Company's top 10 holdings vis a vis the top 10 stocks in the MSCI index at 30 September 2023.

In summary Platinum's investment approach delivers a highly differentiated investment portfolio as compared to the index, providing shareholders with diversification in their portfolios.

During the financial year, 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. At today's date the discount has narrowed further since 30 June 2023.

## Dividends

### Dividend yield



6 Dividend yields based on the closing price on the ASX at 30 June of each year. Source: Platinum Investment Management Limited ("Platinum"). The ability to pay future fully-franked dividends will continue to depend on the Company paying tax on realised profits.

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

The Company's final dividend was fully franked at a tax rate of 25% (rather than 30%) due to the Company once again meeting the criteria of a 'base rate entity' for the financial year – that is an entity with turnover of less than \$50 million. As a 'base rate entity', the Company will pay less corporate tax and therefore 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. This is a key strength of its listed investment company structure.

Our Shareholders have continued to benefit from the Company's ability to manage the level of fully-franked dividend payments over time with the Company delivering an average dividend yield of 5.7% over the 5 years to 30 June 2023.

As shown in our monthly updates the Company has sufficient franking credits to declare a fully franked dividend of just under 3 cents. Consequently, the ability to pay future fully-franked dividends will continue to depend on the Company paying tax on realised profits. The Board's current policy is not to pay unfranked dividends.

## Capital management and the LIC structure

### Capital management and the LIC structure

- The Company's shares continued to trade at a discount during FY 2023, consistent with the broader LIC market.
- Following the two capital management initiatives announced to the market in October 2022, the Board
  - Issued 1 for 4 bonus options on 27 April 2023; and
  - Issued an update to remove the Company's 20% threshold buy-back guide and executed the on-market share buy-back with effect from 18 October 2023.
- The Board's primary objective in effecting the buy-back is to provide liquidity to existing shareholders and accretion to continuing shareholders.
- The Board has been actively addressing Shareholder value through these capital management initiatives.
- The Board is firmly of the view that improved relative investment performance is key to narrowing the discount.
- The Board will continue to listen to Shareholders, whilst ensuring that decisions are made in the best interests of Shareholders as a whole.

On 27 April 2023, following on from the capital management initiatives announced to the market in October 2022, the Company issued eligible shareholders with 1 bonus option for every 4 fully paid shares held as at the record date. Each bonus option has an exercise price of \$0.90 and an expiry date of 28 March 2024.

When setting the option exercise price, the Board was of the view that the market environment at the time would be highly favourable for Platinum's investment approach and that the Company's outperformance, seen during the 2022 calendar year, would continue and drive a rebound in the share price during the option exercise period. At the bonus option issue date, the bonus options were trading 'at the money' (\$0.89). However, since then the share price has moved below the bonus option exercise price and the opportunity for Shareholders has not materialised to date.

Furthermore, like many other listed closed ended investment vehicles, the Company's shares continued to trade at a discount to pre-tax NTA during the financial year. The discount widened from 16.20% as at 30 June 2023 to 17.9% as at 30 September 2023. In light of this, the Board revised its buy-back policy to remove the 20% share price discount guide that had been communicated to the market in October 2022 and thereafter began the execution of the Company's '10/12 limit' share buy-back program with effect from 18 October 2023. As at 1 November 2023 638,025 shares have been bought back.

The Board continues to believe that buy backs do not succeed in eliminating share price discounts and the market has generally shown this to be the case. Accordingly, the Board's primary objective in effecting the buy-back is to provide liquidity to existing Shareholders and accretion to continuing Shareholders, rather than to narrow the discount. The Board is firmly of the view that improved relative investment performance is key to narrowing the discount, as this is what drives demand for the shares. The Board expects the discount to change in line with market sentiment i.e. if relative investment performance of the Company improves and there is in turn more appetite for the investment manager's strategy.

As already mentioned, discounts have generally widened across the global equities closed-end listed investment market. This has prompted some market participants to convert to open-ended structures. The Board continues to hold the view that the close ended listed investment company structure has merits which are appreciated by many Shareholders. These merits include the ability to:

- smooth dividends; and
- manage the portfolio without regard for cash flows i.e. applications and redemptions.

That said, we remain open to Shareholders' views and will continue to listen to your feedback.

## Performance for the 2023 financial year and market outlook

### Investment outlook

- The Company delivered a pre-tax NTA return of negative 1.9% for the calendar quarter ended 30 September 2023 against the index return of negative 0.3%.
- For the 12 months to 30 September 2023, the Company delivered a pre-tax NTA return of 9% against the index return of 10.5%.
- The most recent weekly pre-tax NTA per share released to the market as at Friday, 27 October 2023 was \$0.9629.
- The portfolio manager, Cameron Robertson, will provide an update on markets and his outlook for the portfolio at the conclusion of the formal business of the meeting.

Index return is the return of the MSCI AC Asia ex Japan Net Index. Source: Platinum Investment Management Limited ("Platinum") for Company returns and Factset Research Systems for index returns. The pre-tax NTA returns are calculated using the Company's pre-tax net tangible asset backing per share for the specified period (as released to the ASX) and represent 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 assumes the reinvestment of all dividends. Returns are not calculated using the Company's share price. Past performance is not a reliable indicator of future performance.



The Company delivered a negative 1.9% return for the calendar quarter ended 30 September 2023 (measured by its pre-tax NTA) against the index return of negative 0.3%, and for the 12 months to 30 September 2023, delivered a return of 9% (measured by its pre-tax NTA) against the index return of 10.5%.

The most recent weekly pre-tax NTA per share released to the market as at Friday, 27 October 2023 was \$0.9629.



The fund manager recently commented that the sentiment around China remained bearish but there were still bright pockets within the economy. The team continues to find opportunities in China with strong long-term growth prospects at attractive valuations.

As mentioned earlier, Cameron will provide an update on markets and his outlook for the investment portfolio at the conclusion of the formal business of the Meeting. Cameron manages the portfolio alongside the other co-portfolio managers Andrew Clifford and Kirit Hira. Andrew is also Platinum's Co-Chief Investment Officer and has recently decided to step aside as Platinum Asset Management's Managing Director/Chief Executive Officer in order to concentrate on portfolio management.

## Proxy results

Resolution 1: Re-election of Margaret Towers as a non-executive Director

| FOR        | AGAINST    | OPEN-USABLE CHAIR | OPEN-USABLE NON-CHAIR |
|------------|------------|-------------------|-----------------------|
| 70,757,286 | 11,977,958 | 1,165,859         | 1,206,679             |
| 83.14%     | 14.07%     | 1.37%             | 1.42%                 |

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## Proxy results

Resolution 2: Adoption of the Remuneration Report

| FOR        | AGAINST    | OPEN-USABLE CHAIR | OPEN-USABLE NON-CHAIR |
|------------|------------|-------------------|-----------------------|
| 69,837,697 | 12,559,807 | 898,675           | 1,184,484             |
| 82.67%     | 14.87%     | 1.06%             | 1.40%                 |

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## Disclaimer

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