

Appendix 4D Half Year Report

Listing Rule 4.3A

Company	Platinum Capital Limited
ASX Code	PMC
Period ended	31 December 2020
Previous corresponding period ended	31 December 2019
ABN	51 063 975 431

Results for Announcement to the Market

This announcement to the market should be read in conjunction with the 31 December 2020 annual financial report.

	% Movement	\$A'000
Total investment income	63.4%	55,615
Profit from ordinary activities after tax attributable to members	69.4%	36,488
Net profit for the period attributable to members	69.4%	36,488

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. Using the pre-tax NTA allows investors to make a more meaningful comparison between the investment performance of the portfolio and the index. For the 6 months to 31 December 2020, the Company's pre-tax NTA per share increased from \$1.41 to \$1.57. This is after the payment of 3 cents per share in dividends during the financial year.

The Company's returns to 31 December 2020 (measured by its pre-tax NTA) compared to the benchmark over 6 months, 1 year, 5 years, 10 years and since inception (June 1994) are shown in the table below:

Investment Performance	6 months	1 year	5 years (cpd p.a.)	10 years (cpd p.a.)	Since inception (cpd p.a.)
PMC's performance	12.9%	1.6%	7.3%	9.5%	11.6%
MSCI AC World Net Index in A\$ ⁱ	10.6%	5.9%	10.9%	12.3%	7.3%

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. Returns have not been calculated using the Company's share price. **Past performance is not a reliable indicator of future performance.**

Dividends

A summary of 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	25 February 2021
Record date	26 February 2021
Last date for receipt of election notices for the dividend reinvestment plan	3 March 2021
Payment date	18 March 2021

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 18 February 2021, after allowing for the 2021 fully-franked interim dividend of 3 cents per share, the Company has an ability to pay fully-franked dividends of up to 0.84 cents per share. The Board has a policy of dividend smoothing and endeavours to maintain sufficient franking credits to enable payment of fully-franked dividends in the future.

Dividend Reinvestment Plan

The Dividend Reinvestment Plan 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
18 February 2021

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Platinum Capital Limited

ABN 51 063 975 431

**Interim Financial Report
For the half-year ended 31 December 2020**

**Platinum Capital Limited
Corporate Directory**

Directors	Margaret Towers Richard Morath Jim Clegg
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 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 Capital Limited shares are listed on the Australian Securities Exchange (ASX code: PMC)
Website	www.platinum.com.au/Our-Products/All-Products/Platinum-Capital-Limited

The Directors present their report, together with the interim financial statements of Platinum Capital Limited (the "Company") for the half-year ended 31 December 2020.

Directors

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

Margaret Towers	Chairperson and Independent Non-Executive Director
Richard Morath	Independent Non-Executive Director
Jim Clegg	Independent Non-Executive Director

Principal activities

The Company is a listed investment company established to provide capital growth over the long-term through investment of funds internationally into securities of companies, which are perceived by the Investment Manager, Platinum Investment Management Limited, to be undervalued.

Operating and Financial Review

For the half-year ended 31 December 2020, the Company's net profit before tax was \$52,425,000 (31 December 2019: net profit before tax of \$30,734,000). The net profit after tax was \$36,488,000 (31 December 2019: net profit after tax of \$21,545,000). The Directors have declared a fully-franked dividend of 3 cents per share which represents a grossed up annualised dividend yield of 5.9% based on the 31 December 2020 share price. After the payment of this dividend, the Company retains approximately 0.84 cents per share in franked dividend capacity, to assist with the payment of future fully-franked dividends.

For the 6 months to 31 December 2020, the Company delivered a return of 12.87%¹ (measured by its pre-tax NTA) versus a return of 10.65% for the benchmark the Morgan Stanley Capital International All Country World Net Index (MSCI) in A\$ terms². The increase in profit, pre-tax NTA and absolute returns were a result of strong performance, especially in the December quarter, with respect to a number of the Company's key investment themes.

The Directors consider that pre-tax net tangible asset backing per share ("NTA"), 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. Using the pre-tax NTA allows investors to make a more meaningful comparison between the investment performance of the portfolio and the index. For the 6 months to 31 December 2020, the Company's pre-tax NTA per share increased from \$1.41 to \$1.57. This is after the payment of 3 cents per share in dividends during the half-year. Total Shareholder Return (TSR) for the half-year, based on share price appreciation and dividends paid (between 1 July 2020 and 31 December 2020), was 19.2%.

For the five years to 31 December 2020, the Company delivered an annualised compound return of 7.26% per annum, measured by the Company's pre-tax NTA, versus the MSCI return of 10.95%. The Company's long-term (since inception) return of 11.61% per annum was approximately 59% greater than the MSCI return of 7.32% over the last 25 and a half years.

¹ Source: Platinum Investment Management Limited (PMC 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.**

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Platinum Capital Limited
Directors' Report
31 December 2020

With regards to outlook, the Investment Manager reports that *"We are cautiously optimistic in the medium term about the future returns of the portfolio based on the valuations and outlook for the companies in the portfolio. While we have seen strong stock price appreciation across many holdings, this has occurred in line with the improving prospects that were part of our original investment case for making these investments. That we are still in the early stages of the post-COVID recovery provides additional support for the investment case."*

With effect from 1 April 2021, Platinum Investment Management Limited ("Platinum" or the "Investment Manager") will appoint Clay Smolinski and Nikola Dvornak as co-managers of the Company's portfolio alongside current portfolio manager Andrew Clifford, who will continue to manage the majority of the portfolio's assets. Clay joined Platinum in 2006 as an analyst, became the portfolio manager of the Platinum European Fund in 2009, and was assigned to manage the Platinum Unhedged Fund in 2014. In 2018, he took over the portfolio management responsibilities for two other global funds and currently co-manages the flagship Platinum International Fund with Andrew. Nik joined Platinum in 2006 as an analyst in the financials / services sector. He was appointed as a co-manager of the Platinum European Fund in 2014, before becoming the sole manager in early 2017 and continues to cover the financials / services sector.

The Company continues to have an extremely strong balance sheet with few liabilities. 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

As mentioned at last year's Annual General Meeting, the Directors continue to monitor the Company's discount to pre-tax NTA. Pleasingly with the improvement in investment performance the discount has significantly narrowed since 30 June 2020. At this stage the Directors do not see the need to take action on the on-market share buy back announced in April 2020.

Another objective of the Company's capital management is to smooth dividends over time and maintain sufficient 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 declared an interim 2021 fully-franked dividend of 3 cents per share (\$8,743,000) with a record date of 26 February 2021 and payable to shareholders on 18 March 2021 out of the dividend profit reserve. The dividend amount was determined with reference to the Company's franked dividend capacity of 3.84 cents per share at 31 December 2020. The investment performance for the half year ended 31 December 2020 has a large component of unrealised gains. Unrealised gains are not taxable and therefore don't generate franking credits. The unrealised gains will be taxable if realised, which would then increase the company's franking capacity for use in future periods.

After the payment of the 2021 interim dividend, the dividend profit reserve net of retained earnings will be approximately 32.7 cents per share and the Company will retain approximately 0.84 cents per share in franked dividend capacity.

The dividend reinvestment plan (DRP) is in operation. No DRP discount will apply to the dividend.

For the comparative interim reporting period, the interim fully-franked dividend was 3 cents per share (\$8,687,000).

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.

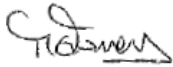
Platinum Capital Limited
Directors' Report
31 December 2020

Auditor's independence declaration

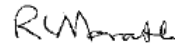
A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

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



Richard Morath
Director

18 February 2021



Auditor's Independence Declaration

As lead auditor for the review of Platinum Capital Limited for the half-year ended 31 December 2020, 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'.

CJ Cummins
Partner
PricewaterhouseCoopers

Sydney
18 February 2021

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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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 18 February 2021.

Platinum Capital Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2020

	Note	Half-year ended	
		31 Dec 20	31 Dec 19
		\$'000	\$'000
Investment Income			
Dividends		1,949	2,898
Interest		-	91
Net gains on equities/derivatives		54,102	30,049
Net gains on foreign currency forward contracts		3,810	521
Net foreign exchange (losses)/gains on overseas bank accounts		(4,246)	485
Total investment income		55,615	34,044
Expenses			
Management fees	10	(2,349)	(2,552)
Custody		(117)	(164)
Share registry		(51)	(65)
Continuous reporting disclosure		(58)	(124)
Directors' fees		(93)	(93)
Auditor's remuneration and taxation services		(60)	(56)
Interest		(18)	-
Brokerage costs		(95)	(65)
Transaction costs		(135)	(98)
Insurance		(145)	(62)
Other expenses		(68)	(31)
Total expenses		(3,190)	(3,310)
Profit before income tax expense		52,425	30,734
Income tax (expense)		(15,937)	(9,189)
Profit after income tax expense for the half-year attributable to the owners of Platinum Capital Limited		36,488	21,545
Other comprehensive income for the half-year, net of tax		-	-
Total comprehensive income for the half-year attributable to the owners of Platinum Capital Limited		36,488	21,545
Basic earnings per share (cents per share)	7	12.54	7.45
Diluted earnings per share (cents per share)	7	12.54	7.45

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 2020

	Note	As at 31 Dec 20 \$'000	30 Jun 20 \$'000
Assets			
Cash at bank		168	49
Cash on deposit held within the portfolio		45,775	52,505
Trade and other receivables		559	2,249
Financial assets at fair value through profit or loss	3	413,111	357,867
Income tax receivable	2(a)	-	2,880
Deferred tax asset	2(b)	-	1,454
Total assets		459,613	417,004
Liabilities			
Payables		622	629
Financial liabilities at fair value through profit or loss	3	2,443	3,046
Deferred tax liability	2(b)	14,277	-
Total liabilities		17,342	3,675
Net assets		442,271	413,329
Equity			
Issued capital	6	389,007	387,838
Retained earnings		(50,807)	(50,807)
Dividend profit reserve	4	104,071	76,298
Total equity		442,271	413,329

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 2020

	Issued capital	Retained earnings	Dividend profit reserve	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2020	387,838	(50,807)	76,298	413,329
Profit after income tax expense for the half-year	-	36,488	-	36,488
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	36,488	-	36,488
<i>Transactions with owners in their capacity as owners:</i>				
Transfer of profit after income tax expense for the half-year, to the dividend profit reserve (Note 4)	-	(36,488)	36,488	-
Proceeds from the issue of shares in relation to the dividend reinvestment plan and reinvestment of unclaimed dividends (Note 6)	1,169	-	-	1,169
Dividends paid (Note 5)	-	-	(8,715)	(8,715)
Balance at 31 December 2020	389,007	(50,807)	104,071	442,271

	Issued capital	Retained earnings	Dividend profit reserve	Total equity
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2019	385,202	(19,137)	74,984	441,049
Profit after income tax expense for the half-year	-	21,545	-	21,545
Other comprehensive income for the half-year, net of tax	-	-	-	-
Total comprehensive income for the half-year	-	21,545	-	21,545
<i>Transactions with owners in their capacity as owners:</i>				
Transfer of profit after income tax expense for the half-year, to the dividend profit reserve (Note 4)	-	(21,545)	21,545	-
Proceeds from the issue of shares in relation to the dividend reinvestment plan and reinvestment of unclaimed dividends (Note 6)	1,482	-	-	1,482
Dividends paid (Note 5)	-	-	(11,543)	(11,543)
Balance at 31 December 2019	386,684	(19,137)	84,986	452,533

The above statement 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 2020

	Note	Half-year ended	
		31 Dec 20	31 Dec 19
		\$'000	\$'000
Cash flows from operating activities			
Payments for purchase of financial assets		(132,559)	(96,685)
Proceeds from sale of financial assets		135,289	86,486
Dividends received		2,691	3,549
Interest (paid)/received		(2)	127
Management fees paid	10	(2,305)	(2,537)
Other expenses paid		(762)	(727)
Income tax refund received		2,940	-
Income tax paid		-	(4,881)
Net cash from/(used in) operating activities		5,292	(14,668)
Cash flows from financing activities			
Dividends paid - net of dividend re-investment plan	5, 6	(7,581)	(10,112)
Proceeds from issue of shares in relation to unclaimed dividends	6	35	51
Net cash (used in) financing activities		(7,546)	(10,061)
Net (decrease) in cash and cash equivalents		(2,254)	(24,729)
Cash and cash equivalents at the beginning of the half-year		52,554	65,056
Effects of exchange rate changes on cash and cash equivalents		(4,357)	650
Cash and cash equivalents at the end of the half-year		45,943	40,977

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

Note 1. Basis of preparation of the interim financial report

These financial statements for the interim reporting period ended 31 December 2020 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 2020 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 2020 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 2020 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 receivable

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

	As at / 6 months to 31 Dec 20	As at / 12 months to 30 Jun 20
	\$'000	\$'000
Current income tax provision for the period	-	(6,415)
Income tax instalments paid during the period	-	9,295
Income tax receivable at end of period	-	2,880

(b) Deferred tax (liability)/asset

In line with our existing accounting policy, the Company has exercised judgement in determining the extent of recognition of deferred tax balances.

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

	As at 31 Dec 20	As at 30 Jun 20
	\$'000	\$'000
Dividends accrued	(19)	(249)
Unrealised gains on investments	(16,664)	1,571
Expense accruals	42	60
Current period tax loss	2,364	-
Capital raising and legal costs (deductible over 5 years)	-	72
Deferred tax (liability)/asset	(14,277)	1,454

Note 2. Income Tax (continued)

At 31 December 2020, the Company is in a deferred tax liability position and this is predominantly because the Company has unrealised gains on investments of \$55,547,000 (30 June 2020: \$5,237,000). The tax impact on these unrealised gains of \$16,664,000 (30 June 2020: \$1,571,000) formed a major part of the overall deferred tax liability.

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

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

	As at	
	31 Dec 20	30 Jun 20
	\$'000	\$'000
<i>Financial assets:</i>		
Equity securities	411,148	357,684
Derivatives	362	29
Foreign currency forward contracts	1,601	154
Total financial assets at fair value through profit or loss	<u>413,111</u>	<u>357,867</u>
<i>Financial liabilities:</i>		
Derivatives	1,142	1,981
Foreign currency forward contracts	1,301	1,065
Total financial liabilities at fair value through profit or loss	<u>2,443</u>	<u>3,046</u>

Note 4. Dividend profit reserve

The Company may set aside some or all of the undistributed profits to a separate dividend profit reserve, to facilitate the payment of future franked dividends, rather than maintaining these profits within retained earnings. The current period profit after tax was transferred to the dividend profit reserve. A summary of the movement in this account is shown below.

	As at	
	31 Dec 20	30 Jun 20
	\$'000	\$'000
Opening balance	76,298	74,984
Profit after tax transferred from retained earnings	36,488	21,545
Dividends paid (see Note 5)*	(8,715)	(20,231)
Closing balance	<u>104,071</u>	<u>76,298</u>
Dividend profit reserve after payment of 2021 interim (2020 final) dividend	<u>95,328</u>	<u>67,583</u>

Note 5. Dividends

Dividends paid

Dividends paid during the half-year were as follows:

	Half-year ended	
	31 Dec 20	31 Dec 19
	\$'000	\$'000
Final dividend paid for the 2019 financial year (4 cents per ordinary share)	-	11,543
Final dividend paid for the 2020 financial year (3 cents per ordinary share)	8,715	-
	<u>8,715</u>	<u>11,543</u>

Note 5. Dividends (continued)

Dividends not recognised at half-year end

In addition to the above dividend paid during the period, on 18 February 2021, the Directors declared the payment of the 2021 interim fully-franked dividend of 3 cents per share. The aggregate amount of the dividend expected to be paid on 18 March 2021, but not recognised as a liability at half-year end, is \$8,743,000. The dividend will be paid out of the dividend profit reserve.

Franking credits

	Half-year ended	
	31 Dec 20	30 Jun 20
	\$'000	\$'000
Franking credits available at balance date	4,796	11,447
Franking (debits)/credits that will arise from the tax (receivable)/payable at balance date	-	(2,880)
Franking credits available for subsequent periods	4,796	8,567
Franking debits that will arise from the payment of dividends declared subsequent to the balance date	(3,747)	(3,735)
Franking credits available for subsequent periods	1,049	4,832

Franking credits are calculated based on a tax rate of 30% (2020: 30%). At 18 February 2021, the available franking credits balance after providing for the 2021 interim dividend would enable the payment of a fully-franked dividend of up to 0.84 cents per share fully-franked.

Note 6. Issued capital

Shares on issue as at 31 December 2020 (and 30 June 2020) were as follows

	As at 31 Dec 20 Shares	30 Jun 20 Shares	As at 31 Dec 20 \$'000	30 Jun 20 \$'000
Ordinary shares - fully paid	291,422,747	290,485,178	389,007	387,838

Movements in ordinary share capital during the half-year

	Date	Shares	\$'000
31 Dec 19			
Opening balance	1 July 2019	288,569,783	385,202
Dividend reinvestment plan	13 September 2019	985,222	1,431
Reinvestment of unclaimed dividends	27 September 2019	34,291	51
Closing balance	31 December 2019	289,589,296	386,684
31 Dec 20			
Opening balance	1 July 2020	290,485,178	387,838
Dividend reinvestment plan	13 September 2020	909,846	1,134
Reinvestment of unclaimed dividends	27 September 2020	27,723	35
Closing balance	31 December 2020	291,422,747	389,007

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.

Note 6. Issued capital (continued)

Share buy-back

On 8 April 2020, 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 2020.

Note 7. Earnings per share

	Half-year ended	
	31 Dec 20	31 Dec 19
	\$'000	\$'000
Profit after income tax attributable to the owners of Platinum Capital Limited	36,488	21,545
	Number	Number
Weighted average number of ordinary shares used in calculating basic and diluted earnings per share	291,038,476	289,176,665
	Cents	Cents
Basic earnings per share	12.54	7.45
Diluted earnings per share	12.54	7.45

Note 8. Statement of Post-Tax Net Tangible Asset Backing (NTA)

Reconciling Net Tangible Asset Backing (post-tax) in accordance with Australian Accounting Standards to that reported to the ASX.

	As at	
	31 Dec 20	30 Jun 20
	\$'000	\$'000
Post-tax Net Tangible Asset Backing per statement of financial position	442,271	413,329
Changes in estimated tax and accruals	2,845	64
Post-tax Net Tangible Asset Backing as reported to the ASX	445,116	413,393
Post-tax Net Tangible Asset Backing per share as reported to the ASX	1.5274	1.4231

Note 9. Fair value measurement

Fair value hierarchy

AASB 13: *Fair Value Measurement* requires the Company to disclose its assets and liabilities held 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 2020):

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 and 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 through profit or loss, using the three level hierarchy model.

Note 9. Fair value measurement (continued)

31 December 2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Equity securities	377,462	33,056	630	411,148
Derivatives	-	362	-	362
Foreign currency forward contracts	-	1,601	-	1,601
Total assets	377,462	35,019	630	413,111
Liabilities				
Derivatives	-	1,142	-	1,142
Foreign currency forward contracts	-	1,301	-	1,301
Total liabilities	-	2,443	-	2,443

30 June 2020	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
Assets				
Equity securities	306,464	50,085	1,134	357,683
Derivatives	-	29	-	29
Foreign currency forward contracts	-	155	-	155
Total assets	306,464	50,269	1,134	357,867
Liabilities				
Derivatives	225	1,756	-	1,981
Foreign currency forward contracts	-	1,065	-	1,065
Total liabilities	225	2,821	-	3,046

Level 3 Assets

As at 31 December 2020, the Company held A\$630,028 in Zimbabwean securities (based on the value estimated by the Investment Manager), which constituted approximately 0.15% (31 December 2019: 0.22%) of the Company's total fair value of investments at 31 December 2020.

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

	6 months ended 31 Dec 20 \$	12 months ended 30 Jun 20 \$
Opening balance	1,134,202	2,666,734
Transfers to level 3	-	-
Movement during the period	(504,174)	(1,532,532)
Level 3 closing balance	630,028	1,134,202

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

Note 10. Investment Manager Fees

The Investment Manager, Platinum Investment Management Limited, receives a monthly management fee for the investment services provided in accordance with the Investment Management Agreement. This Agreement provides for a management fee payable monthly and calculated at 1.1% (30 June 2020: 1.1%) per annum of the adjusted portfolio value (which includes cash and deposits).

The Agreement also provides for a performance fee at 15%, for each year to 30 June, of the amount by which the portfolio's annual performance exceeds the return achieved by the Morgan Stanley Capital International All Country World Net Index in \$A. Where the portfolio's annual return is less than the index, 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 from prior periods is carried forward until a performance fee becomes payable.

For the 6 months to 31 December 2020, the performance of the portfolio was 12.75%³ and the performance of the index was 10.65% for the same period. This represents an outperformance of 2.11% against the index. Taking into account, the aggregate underperformance of 29.18% from the prior periods, no performance fee has been accrued. A total aggregate underperformance of 27.07% will need to be made up before a performance fee will be payable.

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

	Half-year ended	
	31 Dec 20	31 Dec 19
	\$	\$
Management fees expense	2,348,671	2,551,645
Management fees paid	2,305,085	2,536,721
Management fees payable	418,444	432,660

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 18 February 2021 as disclosed in Note 5 and the Directors' report, there are no other matters or circumstances that have arisen since 31 December 2020 that have 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 differs from the Company's 6 month pre-tax NTA return of 12.87% referred to in the Directors' report, which also includes non-portfolio and non-investment related assets and liabilities.

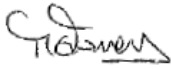
Platinum Capital Limited
Directors' Declaration
31 December 2020

In the Directors' opinion:

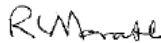
- the attached financial statements and notes, set out on pages 7-16 comply with the *Corporations Act 2001*, Australian Accounting Standards, *the Corporations Regulations 2001* and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 31 December 2020 and of its performance for the financial 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



Margaret Towers
Chairperson



Richard Morath
Director

18 February 2021
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 2020, 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 2020 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 our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Responsibility of the directors for the half-year financial report

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

Auditor's responsibility for the review of the 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

PricewaterhouseCoopers, ABN 52 780 433 757

One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999, www.pwc.com.au

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999, www.pwc.com.au

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and fair view of the Company's financial position as at 31 December 2020 and of its performance for the half-year ended on that date, and 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 dark ink, appearing to read 'PricewaterhouseCoopers', written in a cursive style.

PricewaterhouseCoopers

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

CJ Cummins
Partner

Sydney
18 February 2021