# *i* Capital China Fund

## A Sub-Fund of *i* Capital Master Fund

## Semi-Annual Report 2020

For the period ended 31 January 2020

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## *i* CAPITAL CHINA FUND AT A GLANCE

| | |
|---|---|
| **Investment Objective** | To achieve long-term capital appreciation by primarily investing in equity securities issued by companies listed in Hong Kong, Shanghai and/or Shenzhen. |
| **Investor Profile** | Investors who are seeking to access capital growth over a long term investment horizon, and can tolerate short term volatility and fluctuations in returns. |
| **Subscription Fee** | Nil |
| **Redemption Fee* (% of redemption amount)** | 5% for Units held for 1 year or less; Nil for Units held for more than 1 year |
| **Management Fee*** | 1.5% (150 basis points) |
| **Trustee Fee*** | Up to 0.15% (15 basis points), subject to a minimum monthly fee of US$5,000 |
| **Custodian Fee*** | Up to 0.0275% (2.75 basis points) |
| **Performance Fee*** | 10% (1000 basis points) of the outperformance of the Net Asset Value per Unit during a performance period over the High Water Mark |
| **Inception Date** | 2 January 2018 |
| **Minimum Investment (USD)** | $1,000 |
| **Additional Investment (USD)** | $1,000 |
| | Additional subscription form can be downloaded from the Manager's website or obtained directly from the Manager. |

## *i* CAPITAL CHINA FUND AT A GLANCE (Continued)

| | |
|---|---|
| **Dealing frequency** | Weekly (last Hong Kong Business Day of every week before 3:00pm) |
| **Manager** | Capital Dynamics Asset Management (HK) Private Limited<br>Suite 701, 7th Floor, Chinachem Leighton Plaza,<br>29 Leighton Road, Causeway Bay, Hong Kong<br>Tel. No. : (852) 2153 1455<br>Fax No. : (852) 2153 1451<br>Email: enquiries@capitaldynamics.hk<br>Website: http://www.capitaldynamics.hk |
| **Directors of the Manager** | Tan Teng Boo<br>Wu Xiongwei<br>Wu Chin-Shan, Richard |
| **Solicitors to the Manager** | Deacons |
| **Trustee and Registrar** | BOCI-Prudential Trustee Limited |
| **Custodian** | Bank of China (Hong Kong) Limited |
| **Auditors** | PricewaterhouseCoopers |

*For more details on the above fees, please refer to the Fees and Expenses under the latest Explanatory Memorandum.

This Semi-Annual Report shall not constitute an offer to sell or a solicitation of an offer to buy units in any of the funds. Subscriptions are to be made only on the basis of the information contained in the relevant explanatory memorandum (and the documents referred to within it), supplemented by the most recent financial report.

## PERFORMANCE REVIEW

For the period between 31 July 2019 and 31 Jan 2020, the NAV of the *i* Capital China Fund increased by 5.6% from USD0.8521 to USD0.9001.

## MARKET REVIEW AND OUTLOOK

This 6-month period saw increasing optimism that the US China trade war would de-escalate by means of a formal trade deal after previous expectations for a trade deal kept getting delayed and dashed. Indeed, a so-called phase one trade deal was signed on 15 January 2020. Further reductions or elimination of tariffs will likely occur if and when a phase two deal is reached which would address issues not addressed in phase one. However, the timing for phase two deal is highly uncertain and may not occur until after the US Presidential election which will occur on 3 November 2020. Nonetheless, equity markets in China and the US generally rose over the second half of 2019.

The first two weeks of January 2020 saw continued rises in the Chinese equity markets leading up to the signing of the China-US trade deal on 15 January. However, they started to plunge almost immediately after that as concern over the COVID-19 outbreak heightened. The Shanghai and Shenzhen markets were closed during the last week of January for the Chinese New Year holidays. Their reopening was delayed from 31 January to 03 February as a response to COVID-19. Both the Shanghai Composite Index and Shenzhen Composite Index dropped by around 8% on 03 February alone. However, the Shanghai, Shenzhen and Hong Kong markets subsequently staged rebounds in February. At the time of writing this commentary, COVID-19 has peaked in China but is spreading to other countries. The Covid-19 outbreak will eventually be contained and its impact on the Chinese and global economies will likely be short-lived. Crises similar to the current one have turned out to be great times to invest when one looks back at history. COVID-19 should turn out to be no different.

The outbreak of COVID-19 exposed a lot of weakness in China's public health system. A more important and relevant question for long-term value investors like us is: has China's long-term economic prospect been affected? In this volatile market amidst all kinds of news about the epidemic, it is worthwhile for us to review China's economic situation and policies, and evaluate her long-term prospects in a calm manner.

First of all, China's economy is becoming stronger and healthier. Her GDP has reached to RMB99.1 trillion or US$14.4 trillion, growing at 6.1% in 2019. It is roughly equivalent to the combined economies of Japan, Germany, UK, and France. The GDP per capita has finally surpassed US$10,000, about 90% of the global average. The success of China is becoming so important to the world now. According to the World Bank, the total population of countries with more than US$10,000 GDP per capital is around 1.5 billion. As China is entering this group, this means an almost doubling of the population with more than US$10,000 GDP per capital to 3 billion. Accounting for 16% of the world economy, the contribution of China's growth to the growth of the world economy is around 30% now. The spending in service industries is accounting for a higher proportion of consumer spending, indicating that the quality of Chinese economy is improving.

Underneath these hard numbers is China's continuous effort to reform her economic structure. In the annual Central Economic Work Conference, held in Beijing from 10 to 12 December in 2019, Chinese leaders outlined key tasks for 2020. The first task is to promote high-quality development by incorporating the new concepts of innovative, coordinated, green, open and inclusive development. The second one is to take "three tough battles" of preventing and defusing financial risks, targeted poverty alleviation and pollution control. To improve the people's well-being, as well as ensure a stable workforce is the third one. The fourth task is to implement a proactive fiscal policy and prudent monetary policy. The fiscal policy should focus on improved quality and efficiency with more efforts on structural adjustment, while the monetary policy should be flexible and moderate to maintain market liquidity at a reasonably ample level, reducing the cost of social financing. Industries and consumption should be upgraded, and the country should fully tap into the advantages of China's considerable market. Fifthly, to improve overall economic competitiveness via innovation, reform and opening-up. A number of advanced manufacturing clusters with international competitiveness will be built. New driving forces through regional development strategies are stressed, including the coordinated development of the Beijing-Tianjin-Hebei region, the integrated development of the Yangtze River Delta, and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area. The sixth task is to deepen the reform of the economic system. The reform of State-owned assets and enterprises is to be accelerated. Foreign investment will be facilitated and better protected. The country will also further shorten the negative list for foreign investment, lower the overall tariff level, and encourage enterprises to diversify export markets.

What we can learn from this list of tasks is China's emphasis on development rather than growth, which we agree with Chinese government and have discussed many times before in our presentations and newsletters. China's approach to solving economic problems is not easy credit or fiscal deficit as in Western countries, but a continuing emphasis on innovation, reform and opening-up. This long-term focus on development in all areas, rather than a simple GDP growth target, demonstrates China's wise and firm strategy.

As the central government initiates the national policy, local governments are competing fiercely in execution, leading to a more potential growth for the long run. The reform on China's hukou system has seen a big step and some new dynamism are from the local competition: on 14 January 2020, Guangdong Province announced it will remove hukou requirements for all cities in the province except Guangzhou and Shenzhen. The importance of this announcement could be view from three angles. First, Guangdong is the most populous province in China. If treating Guangdong as a country, its population will rank number 12th in the world, far more than Germany, UK or France. Secondly, it is also the richest province in China with 2019's GDP at RMB10.5 trillion, growing at 6.3%. Thirdly, the other 19 cities in Guangdong will fully open to citizens from all over China, including Dongguan which is located between Guangzhou and Shenzhen. In-fact Dongguan with an urban resident around 6.5 million people is not supposed to fully open according to the latest policy announced by the central government. But Guangdong still chose to relax the hukou system in Dongguan, highlighting the provincial government's reform urgency. The impact of these reforms could be tremendous: imagine a country with more than 100 million population still growing at 6% decides to speed its urbanization process, what a new big market it may create. Unnoticed by most Western media and also an important contribution to China's success is the competition among different provinces in China. We expect other provinces such as Jiangsu and Zhejiang to follow Guangdong to announce similar policies.

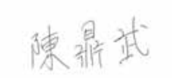
Such a smart national policy accompanied by local competition and adaption is why we are so optimistic about China, and we believe the impact of COVID-19 on the Chinese economy would be temporary. At the meeting of the Standing Committee of the Political Bureau of the CPC Central Committee on 12-Feb, President Xi Jinping stressed the need to coordinate epidemic control and socio-economic development to meet targets set for this year. The meeting decided to roll out more targeted tax cuts and fee reductions to alleviate difficulties faced by businesses, and of making prudent monetary policy more flexible and better tailored to boost financial services to enterprises. According to the statement of the meeting, producers of materials used in the epidemic control and prevention will be offered more favourable interest rates with credit. Differentiated financial services will be offered to regions, sectors and businesses hit hard by the outbreak. The employment-first policy will be carried out with greater intensity, and fiscal, monetary and social security policies for small and medium-sized enterprises will be further optimized. Investment of special bonds issued by local authorities will be further optimized, and the central government budget will be put to better use, and more will be done to spur private investment. The government will promote the high-quality development and expansion of consumption services, boost consumption of commodities and unleash the potential of emerging consumption sectors. Foreign trade businesses will receive support to speed up the resumption of production, and authorities will offer more aid in trade financing and export credit insurance. From the statement we can find Chinese government is very experienced in handling crisis. More importantly, compared with previous crises such as the 1997 Great Asian Crisis, SARS in 2002, and the 2008 US-led global financial crisis, China's economy is much stronger now. In fact, China's stock market rebounded very quickly, and ChiNext, China's NASDAQ-style board of the Shenzhen Stock Exchange, has reached the highest point since 2017. The stock market reaction showed investor's confidence in the Chinese government. We remain very confident over China's long-term economic prospects, and any big sell-off due to COVID-19 provides patient investors opportunities to accumulate more shares.

As of 31 January 2020, your fund was invested in 12 stocks which accounted for 93.7% of its total NAV. In the short-term, markets are likely to stay turbulent and be buffeted by forces including the continued impact of COVID-19 and uncertainty regarding the US Presidential election in November. In such times, it is vital to stay the course and be invested for the long-term.

**List of stocks ICCF is holding as at 31 Jan 2020**

| |
|---|
| ALIBABA GROUP HLDG LTD |
| ANHUI CONCH CEMENT CO LTD – A SHARES |
| CARPENTER TAN HLDGS LTD |
| CHINA SUNSINE CHEMICAL HLDGS LTD |
| GUANGDONG PROVINCIAL EXPRESSWAY DEVELOPMENT CO LTD – B SHARES |
| HANGZHOU ROBAM APPLIANCES CO LTD – A SHARES |
| PARKSON RETAIL GROUP LTD |
| SHANGHAI INTERNATIONAL AIRPORT CO LTD – A SHARES |
| XIAMEN FARATRONIC CO LTD – A SHARES |
| XIAMEN MEIYA PICO INFORMATION CO – A SHARES |
| YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LTD CO – H SHARES |
| ZHENGZHOU YUTONG BUS CO LTD – A SHARES |

Best wishes.




**Tan Teng Boo**
**Managing Director**
**Capital Dynamics Asset Management (HK) Private Limited**

4 March 2020

## STATEMENT OF NET ASSETS (UNAUDITED)

**As at 31 January 2020**

| | 31 January 2020 US$ | 31 July 2019 US$ |
|---|---|---|
| **Assets** | | |
| Financial assets at fair value through profit or loss | 4,836,350 | 4,035,357 |
| Prepayments and other receivables | 45,537 | 1,224 |
| Amount due from investment manager | 105,262 | 68,509 |
| Cash and cash equivalents | 281,715 | 984,601 |
| **Total assets** | 5,268,864 | 5,089,691 |
| **Liabilities** | | |
| Management fee payable | 7,659 | 6,891 |
| Trustee fee payable | 5,645 | 5,333 |
| Accrued expenses and other payables | 197,788 | 203,874 |
| **Total liabilities** | 211,092 | 216,098 |
| **Net assets attributable to the unitholders of the Fund** | 5,057,772 | 4,873,593 |
| **Net asset value per unit** | 0.8818 | 0.8307 |

Based on 5,736,052 (2019: 5,866,891) units outstanding

## STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

**For the financial period ended 31 January 2020**

| | For the financial period ended 31 January 2020 | For the financial year ended 31 July 2019 |
|---|---|---|
| | US$ | US$ |
| **Income** | | |
| Dividend income | 35,067 | 162,300 |
| Interest income | 3,132 | 22,487 |
| Net gain/(loss) on financial assets at fair value through profit or loss | 328,204 | (517,334) |
| Net foreign exchange gain/(loss) | (17,882) | 24,310 |
| Sundry income | 36,268 | 68,432 |
| Total investment gain/(loss) | 384,789 | (239,805) |
| **Expenses** | | |
| Management fee | 37,612 | 71,967 |
| Trustee fee | 30,000 | 47,500 |
| Custodian Fee | 725 | 3,107 |
| Transaction costs | 841 | 5,399 |
| Audit fee | 11,108 | 18,170 |
| Legal and other professional fees | 11,133 | - |
| Other operating expenses | 2,739 | 5,314 |
| Total operating expenses | 94,158 | 151,457 |
| Gain/(Loss) before tax | 290,631 | (391,262) |
| Withholding taxes | (420) | (10,130) |
| Total comprehensive gain/(loss) | 290,211 | (401,392) |

# STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)

**For the financial period ended 31 January 2020**

| | For the financial period ended 31 January 2020 US$ | For the financial year ended 31 July 2019 US$ |
|---|---|---|
| **Net assets attributable to unitholders at the beginning of the period/year** | 4,873,593 | 4,926,251 |
| Subscription of units | 104,610 | 363,603 |
| Redemption of units | (210,642) | (14,869) |
| Net (decrease)/increase from transactions with unitholders | (106,032) | 348,734 |
| Total comprehensive gain/(loss) | 290,211 | (401,392) |
| **Net assets attributable to unitholders at the end of period/year** | 5,057,772 | 4,873,593 |

## STATEMENT OF CASH FLOWS (UNAUDITED)

**For the financial period ended 31 January 2020**

| | For the financial period ended 31 January 2020 US$ | For the financial year ended 31 July 2019 US$ |
|---|---|---|
| **Cash flows from operating activities** | | |
| Total comprehensive gain/(loss) | 290,211 | (401,392) |
| **Adjustments for:** | | |
| Interest income | (3,132) | (22,487) |
| Dividend income, net of withholding tax | (34,647) | (152,170) |
| Operating gain/(loss) before working capital changes | 252,432 | (576,049) |
| Net increase in financial assets at fair value through profit or loss | (800,993) | (884,760) |
| Net increase in prepayments and other receivables | (13,699) | (2) |
| Net increase in amount due from investment manager | (36,753) | (68,509) |
| Net increase in management fee payable | 768 | 193 |
| Net increase in trustee fee payable | 312 | 2,750 |
| Net increase in accrued expenses and other payables | (6,086) | 730 |
| **Cash used in operations** | (604,019) | (1,525,647) |

## STATEMENT OF CASH FLOWS (UNAUDITED) (Continued)

**For the financial period ended 31 January 2020**

| | For the financial period ended 31 January 2020 US$ | For the financial year ended 31 July 2019 US$ |
|---|---|---|
| Interest income received | 3,378 | 23,768 |
| Dividend income received, net of withholding tax | 3,787 | 152,068 |
| **Net cash used in operating activities** | (596,854) | (1,349,811) |
| | | |
| **Cash flows from financing activities** | | |
| Proceeds from subscription of units | 104,610 | 363,603 |
| Payments on redemption of units | (210,642) | (14,869) |
| **Net cash (used) in/generated from financing activities** | (106,032) | 348,734 |
| | | |
| **Net decrease in cash and cash equivalents** | (702,886) | (1,001,077) |
| Cash and cash equivalents at the beginning of the period/year | 984,601 | 1,985,678 |
| **Cash and cash equivalents at the end of the period/year** | 281,715 | 984,601 |
| | | |
| **Cash and cash equivalents at the end of period/year, represent by:** | | |
| Time deposits, with original maturities of 3 months or less | 143,200 | 444,575 |
| Cash at bank | 138,515 | 540,026 |
| | 281,715 | 984,601 |

## INVESTMENT PORTFOLIO (UNAUDITED)

**For the financial period ended 31 January 2020**

| | Holdings | Market Value | % of net asset |
|---|---|---|---|
| **LISTED EQUITIES** | | | |
| **CHINA** | | | |
| Anhui Conch Cement Co Limited - A Shares | 90,000 | 618,625 | 12.23 |
| Guangdong Provincial Expressway Development Co Limited - B Shares | 400,000 | 308,437 | 6.10 |
| Hangzhou Robam Appliances Co Limited - A Shares | 100,000 | 469,982 | 9.29 |
| Shanghai International Airport Co Ltd – A Shares | 45,000 | 444,507 | 8.79 |
| Xiamen Faratronic Co Limited - A Shares | 74,902 | 581,562 | 11.50 |
| Xiamen Meiya Pico Information Co Limited – A Shares | 99,914 | 297,886 | 5.89 |
| Zhengzhou Yutong Bus Co Limited - A Shares | 240,000 | 542,327 | 10.72 |
| **HONG KONG** | | | |
| Carpenter Tan Holdings Limited | 357,000 | 216,456 | 4.28 |
| Parkson Retail Group Limited | 3,992,500 | 277,535 | 5.49 |
| Yangtze Optical Fibre And Cable Joint Stock Limited - H Shares | 100,000 | 171,983 | 3.40 |
| **SINGAPORE** | | | |
| China Sunsine Chemical Holdings Ltd | 1,100,000 | 390,575 | 7.72 |
| **UNITED STATES** | | | |
| Alibaba Group Holding Limited | 2,500 | 516,475 | 10.21 |

## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

**For the financial period ended 31 January 2020**

| | Holdings | Market Value | % of net asset |
|---|---|---|---|
| **Total listed investments** | | 4,836,350 | 95.62 |
| **Other net assets** | | 221,422 | 4.38 |
| **Total net assets as at 31 January 2020 (calculated in accordance with HKFRS)** | | 5,057,772 | 100.00 |
| **Total investments, at cost** | | 5,356,596 | |

Note : The net asset value per unit on page 4 is calculated in accordance with the Explanatory Memorandum of the Fund that preliminary expenses of the Fund will be amortised over the first five accounting periods while the net asset value per unit as reported in the statement of net assets on page 8 and the total net assets as reported above included an adjustment for the recognition of all preliminary expenses incurred in profit or loss for the period from 2 January 2018 (date of commencement of operations) to 31 July 2018.

## STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

**For the financial period ended 31 January 2020**

| | 1 August 2019 | Additions | Bonus/ Dividends | Disposals | 31 January 2020 |
|---|---|---|---|---|---|
| Alibaba Group Holding Limited | 1,800 | 700 | - | - | 2,500 |
| Anhui Conch Cement Co Limited - A Shares | 90,000 | - | - | - | 90,000 |
| Carpenter Tan Holdings Limited | 357,000 | - | - | - | 357,000 |
| China Sunsine Chemical Holdings Ltd | 450,000 | 650,000 | - | - | 1,100,000 |
| Guangdong Provincial Expressway Development Co Limited - B Shares | 400,000 | - | - | - | 400,000 |
| Hangzhou Robam Appliances Co Limited - A Shares | 100,000 | - | - | - | 100,000 |
| Parkson Retail Group Limited | 3,992,500 | - | - | - | 3,992,500 |
| Shanghai International Airport Co Ltd – A Shares | 45,000 | - | - | - | 45,000 |
| Xiamen Faratronic Co Limited - A Shares | 30,000 | 44,902 | - | - | 74,902 |
| Xiamen Meiya Pico Information Co Limited – A Shares | 99,914 | - | - | - | 99,914 |
| Yangtze Optical Fibre And Cable Joint Stock Limited - H Shares | 100,000 | - | - | - | 100,000 |
| Zhengzhou Yutong Bus Co Limited - A Shares | 240,000 | - | - | - | 240,000 |

# OTHER INFORMATION

## About *i* Capital China Fund

*i* Capital China Fund is a fund constituted in the form of a unit trust under *i* Capital Master Fund, an umbrella unit trust established under the laws of Hong Kong.

The fund seeks to achieve long-term capital appreciation by primarily investing in equity securities issued by companies listed in Hong Kong, Shanghai and/or Shenzhen.

Investors should note that the fund's allocation between instruments in the mainland China and the Hong Kong markets may change significantly from time to time. This may result in the fund's investment portfolio becoming more concentrated on either the mainland China market or the Hong Kong market from time to time.

The fund's investment strategy is driven by the Manager's long term value investing philosophy. The Manager adapts its value investing approach by considering political and economic factors, and aims at drawing on the intrinsic value of a company having regard to the principle of margin of safety (the difference between the intrinsic value of a stock and its market price) as its core investment philosophy. The fund's investment horizon will not be restricted by sector or market cap.

The fund aims to invest predominantly in listed securities whilst maintaining a cash buffer on a temporary basis (pending suitable investment opportunities and also for defensive purposes). The actual asset allocation is driven by the Manager's value investing philosophy which is based on two components: namely the valuation of a listed company AND its market price. When the Manager considers the market is undervalued and there are appropriate investment opportunities whereby listed companies are trading below their fair value, the fund may invest as much as 98% of its Net Asset Value in listed equity securities. In times of extreme market conditions such as when there are speculative bubbles in the mainland China and/or Hong Kong markets where the Manager considers that securities are overvalued and/or the mainland China or the Hong Kong economy is overheating, the fund's assets may invest up to 100% in cash/cash equivalent products on a temporary basis (such as money market instruments) in order to mitigate risk and/or maintain liquidity of the fund.

In seeking to achieve the long term capital appreciation investment objective of the fund, the Manager may consider a broad variety of factors and circumstances in the selection of securities and construction of the fund's portfolio. Such factors may include, but are not limited to, a company's profitability, debt, valuation, growth prospects, actual or future cash flows, volatility, availability and liquidity of securities, sector outlook or prospects, the overall economic, political, tax and regulatory environment affecting the relevant securities and markets in mainland China and/or Hong Kong.

## OTHER INFORMATION (Continued)

### About Capital Dynamics Group

Capital Dynamics is an independent global fund manager and investment adviser, not tied to any bank, insurer, stockbroker or political organization.

Having more than 30 years of investing experience, and with offices in Shanghai, Hong Kong, Sydney, Singapore and Kuala Lumpur, Capital Dynamics is the first Asian fund manager to go global. As a result of its research driven approach, Capital Dynamics has delivered strong long term returns for its clients over the last few decades.

Our managed funds and investment advisory services are all directly accessible by individual, corporate and institutional investors around the world, and we also offer individually managed accounts to professional investors. Our investment advisory service is provided via ***i*** Capital newsletter, a weekly publication, and www.icapital.biz. It is available in English and Chinese.

Capital Dynamics Asset Management (HK) Private Limited (CDHK) obtained the Type 9 (Asset Management) license issued by the Securities and Futures Commission Hong Kong (SFC) in January 2013. CDHK provides discretionary investment management service and the first client was onboarded in October 2015. CDHK manages the *i* Capital China Fund, a retail unit trust fund authorized by the SFC.

Capital Dynamics (S) Private Limited (CDPL), a global fund manager based in Singapore. CDPL commenced operations in June 2006. It manages the *i* Capital Global Fund, an open-end fund and discretionary accounts.

Capital Dynamics (Australia) Limited (CDAL) obtained its Australian Financial Services License (AFSL 326283) from the Australian Securities and Investments Commission in December 2008. This allows CDAL to provide fund management and financial advisory services to retail and wholesale investors.

Based in Sydney, CDAL manages the *i* Capital International Value Fund and individually managed accounts.

Capital Dynamics Asset Management Sdn Bhd (CDAM), based in Kuala Lumpur, manages icapital.biz Berhad, a closed-end fund listed on Bursa Malaysia and discretionary accounts.

For more information about Capital Dynamics, visit www.capitaldynamics.biz

# OTHER INFORMATION (Continued)

## Our Philosopies

Independence, intelligence and integrity drive all business and investment decisions at Capital Dynamics. Integrity is central to our corporate culture, and to our loyal clients of many years, our word has proven to be our bond. Capital Dynamics has some of the most stringent compliance policies in the industry.

As a global fund manager, our "Bamboo value investing" philosophy is unique, and has enabled Capital Dynamics to generate sustained superior returns. Based on long-term only investment principles, our value investing approach is given flexibility with the addition of macroeconomic factors and further investment intelligence from our team of fund managers and analysts. We go behind the commercial veneer of companies, travelling globally to research first hand.

**Capital Dynamics Asset Management (HK) Private Limited**

Address Suite 701, 7th Floor, Chinachem Leighton Plaza,
29 Leighton Road, Causeway Bay, Hong Kong
Phone (852) 2153 1455
Fax (852) 2153 1451
Website http://www.capitaldynamics.hk
Email enquiries@capitaldynamics.hk