i Capital China Fund

A Sub-Fund of *i* Capital Master Fund

Semi-Annual Report 2025

For the period ended 31 July 2025

CONTENTS

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 Suite 701, 7th Floor, Chinachem Leighton Plaza, 29 Leighton Road, Causeway Bay, Hong Kong Tel. No. : (852) 2153 1455 Fax No. : (852) 2153 1451 Email: enquiries@capitaldynamics.hk Website: http://www.capitaldynamics.hk
Directors of the Manager	Tan Teng Boo Tan Mun Lin Yang Qilin
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 January 2025 and 31 July 2025, the Net Assets Value ("NAV") attributable to unitholders per unit of the *i* Capital China Fund (ICCF) increased by 11.2692% from USD0.9699 to USD1.0792.

MARKET REVIEW AND OUTLOOK

When Donald Trump announced the Liberation Day Tariff on April 2, 2025, the stock markets around the globe did a free fall in the fear that it would be an Armageddon which could drag the world to a deep and long-lasting economic crisis like the Great Depression. The Middle Kingdom quickly responded with reciprocal countermeasures, which leaded to a tariff truce between the two global powers. Chinese stocks markets rebounded strongly from the Liberation Day lows and stood higher than April highs, not only pushed by the export related stocks but led by technology and manufacturing sectors, where the competitiveness of Chinese companies are being proven globally. It reminds what Chairman Mao said in 1956, "American imperialism is a paper tiger."

Although the US and China are in tariff ceasefire, Trump's tariffs on other countries cast a shadow on global economic activities. Any new tariff escalations, US slowdowns, could pull the world economy into danger zone again. If there is a severe global economic slowdown, China will be the hope of the world. The second largest economy in the world demonstrated its resilience and importance in the 2008 sub-prime crisis. It has been a major driver contributing around 30% of the global economic growth annually in the past twenty years.

Besides being the global manufacturing powerhouse and the largest trading partner with most countries in the world accounting for 12.3% of world merchandise trade in 2023, China has successfully climbed on the value chain on the back of massive investments in R&D and talents, supported by government policies as well as Chinese companies. Today's China has seen the emergence of a number of highly competitive companies empowered by leading technologies, sophisticated production organisation and most importantly the hardworking cultural heritage, rapidly and sustainably growing in both domestic and overseas markets. These are the drivers which provide China the inherent power to overcome the middle-income trap.

BYD, Labubu, Haidilao, TikTok, TEMU may have already been part of your life. Chinese AI companies are coming in a more discreet way. Alibaba Cloud is the largest cloud service provider in Asia-Pacific with a market share of 25%, ahead of AWS and Azure. We witnessed the DeepSeek moment in the beginning of the year. There are more AI companies like DeepSeek in China such as Moonshot AI and Doubao, leading the latest AI development.

Given the US puts export controls on the most-advanced AI chips to China, there are concerns on how China could win out the AI arm race without enough computing power. We can break down AI into three major components, namely, computing power, algorithm and data. China is at least as good as the US in algorithm with DeepSeek, Kimi, Doubao or Qwen. With its population of 1.4 bln, Chinese tech giants have accumulated and will continue to gather enormous data from daily operations, which is a precious resource for training and inference. So, is computing power the choking point? In fact, Chinese semiconductor industry has achieved significant progress in the past few years not only in terms of IC design, domestic replacement of production equipment but also in terms of advanced node wafer production know-how. A major Chinese wafer manufacturer now can manufacture 7nm node logic chip at a reasonable yield without EUV machine for T-Head, the semiconductor subsidiary of Alibaba. The 7nm parallel processing units (PPU), an AI accelerator, have been deployed in Alibaba's datacentres. China's advantage in scale can eventually make up the gap. As Jensen Huang mentioned, China is just nanoseconds behind the US in AI.

For China sceptics, the high frequency property market data, consumer price index and PPI depict a Japan-like deflationary outlook. True, the property market is still bottoming out but at a much slower pace and with more supporting policies coming in sight. CPI and PPI are more of the results the involution, a by product of competition, which will be adjusted by the invisible hand and regulations.

I have been advising that I am maximum bullish on China and the Chinese stocks since August 2024. Long-term government bond yields in China stay below 2%, which is lower than the dividend yield of Chinese stock indices. Chinese listed companies are actively buying back their own shares. Chinese equities are the rare asset class offering reasonable yield and long-term appreciation opportunities. Most importantly, they are backed by a strong and sustainable economy.

Best wishes.

陳鼎武

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

26th November 2025

FUND PERFORMANCE 1

Table 1 Top 3 Performing Stocks from 31 January 2025 to 31 July 2025

	Ending 31 July 2025 (% Changed)
XIAOMI CORP	48.75%
AIA GROUP LTD	34.32%
WUXI APPTEC CO LTD-A	33.85%

The table above represents the top 3 performing stocks your fund held at sometime within the referenced interim period. The stocks do not necessarily need to be bought at the start of the interim period (i.e. 31 January 2025), and held till the end of the interim period (i.e. 31 July 2025). Stock performance will only be measured over the specific period that your fund held the stock in the referenced interim period.

This means that, for example, if XIAOMI CORP was bought on 24 April 2025 and sold on 31 July 2025, its performance is only measured over 24 April 2025 to 31 July 2025 and not over the full interim period. Similarly, if it was bought on 31 January 2025 and sold on 12 July 2025, its performance is measured over the period 31 January 2025 to 12 July 2025.

FUND PERFORMANCE 2

Table 2 shows the percentage of unrealised gain or loss (in US$) of each company held by your Fund as at 31 July 2025.

Table 2 Percentage of unrealised gain or loss (in US$) arising as at 31 July 2025

	% Change
XIAOMI CORP	199.40%
PICO FAR EAST HLDGS LTD	122.93%
ESPRESSIF SYSTEMS SHANGHAI CO LTD	116.58%
GUANGDONG PROVINCIAL EXPRESSWAY DEVELOPMENT CO LTD-B	60.14%

	% Change
WUXI APPTEC CO LTD-A	31.58%
ALIBABA GROUP HLDG LTD	2.29%
CONCORD NEW ENERGY GROUP LTD	0.37%
SHANGHAI INTL AIRPORT CO LTD-A	-10.15%
AIA GROUP LTD	-22.39%
HAN'S LASER TECHNOLOGY INDUSTRY GROUP CO LTD-A	-31.88%
PING AN INSURANCE GROUP CO OF CHINA LTD-H	-36.20%
JIANGSU YANGHE BREWERY JOINT-STOCK CO LTD-A	-39.06%
ANGEL YEAST CO LTD-A	-48.13%

Notes: The returns shown above are not adjusted to dividends and may not fully reflect the true returns.

FUND INFORMATION

Table 3 Percentage of assets held as cash

	Cash	Equities	Other net assets	Total
End of Jan 2025	2.80%	98.79%	-1.59%	100.00%
End of Jul 2025	5.35%	94.28%	0.37%	100.00%

Table 4 Top 5 holdings as at end of Jul 2025

GUANGDONG PROVINCIAL EXPRESSWAY DEVELOPMENT CO LTD-B	14.10%
ESPRESSIF SYSTEMS SHANGHAI CO LTD	13.34%
ALIBABA GROUP HLDG LTD	10.35%
PING AN INSURANCE GROUP CO OF CHINA LTD-H	8.34%
CONCORD NEW ENERGY GROUP LTD	8.19%

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 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, and the *i* Capital Global Fund, an open-end fund.

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, *i* Capital Asia-Pacific ex-Japan BTB Fund, *i* Capital ASEAN BTB 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 Philosophy

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.

icapital®
BY Capital Dynamics

INDEPENDENCE • INTELLIGENCE • INTEGRITY

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