

Premium China Fund

Top 10 Holdings as at 30 June 2016

Sunny Optical Technology (Technology Hardware)

Market Cap: USD 3.8 Billion



- Sunny Optical Technology designs and manufactures optical and optical related products including lens sets and camera modules for mobile phones and digital cameras.
- The company is a primary supplier to the world's top smartphone vendors including Samsung, Sony and LG, while also well-positioned to benefit from China and other emerging markets' smartphone boom and camera upgrade cycle through its domestic clientele.
- Another area where Sunny Optical is a leading supplier of is car cameras, which are proliferating as car makers look to add new safety features such as collision avoidance systems. Meanwhile, all new cars in the U.S. will be required to include a back-up camera by 2018. Its customers in this area include Ford, General Motors, BMW, Audi and Toyota.

Tencent Holdings (Internet Services)

Market Cap: USD 213.5 Billion



- Tencent is one of the largest internet-related services providers in the world, covering instant messaging, social networking, email, web portals, e-commerce, advertising, online payment services and multiplayer games.
- Its offerings include mobile chat services QQ Instant Messenger and WeChat, which provides users with services that are similar to those of Facebook, Twitter, WhatsApp and Zynga. By the end of 2015, active QQ Instant Messenger users amounted to 853 million, while monthly active users of WeChat was at 697 million.
- Under the the strategic goal of providing users with "one-stop online lifestyle services", Tencent continues to expand its user base and add new functions such as a new Uber-like taxi finder that was used 21 million times in its first few weeks.

Zhuzhou CRRC Times Electric (Railway Components & Systems Provider)

Market Cap: USD 6.5 Billion



- Zhuzhou CRRC Times Electric, a subsidiary of China Railway Rolling Stock Corporation, is a train-borne electrical systems and components maker that develops and manufactures train power converters, auxiliary power supply equipment and control systems for mass transit as well as high speed trains.
- The company has already applied its solutions to more than 5,000 mass transit vehicles, 4,000 mainline locomotives and 7,000 high speed trains worldwide. With its modern management, strong core-competitiveness and excellent brand image, Zhuzhou will continue to consolidate its position in the global railway transportation equipment field.

Fuyao Glass Industry Group (Automobile & Industrial Components)

Market Cap: USD 5.3 Billion



- Fuyao Glass Industry Group is a leading international manufacturer of automotive and industrial glass.
- Founded in 1987, the company has become a major products and services supplier to the world's top automakers including Mercedes, BMW, Audi, Volkswagen, Ford and General Motors.
- The latest technologies and equipment are employed to provide the business with a supportive environment for the design, development and production of its quality-assured products, all of which have achieved government certifications in America, Europe, Australia and China, with numerous other international quality certifications.

PetroChina (Energy)

Market Cap: USD 190.3 Billion



- PetroChina is China's largest oil and gas producer and distributor. It is also one of the largest companies in the world by revenue. In addition to the exploration, development, production and transportation of crude oil and natural gas, the company engages in the development and production of petrochemical products such as ethylene.
- Placing a strong emphasis on the development of new energy, PetroChina continues to deepen its industrial testing and resource evaluation of bio-diesel, oil shale and oil sands, and conduct research on the utilisation of geothermal energy and water soluble gas.

China Vanke (Real Estate)

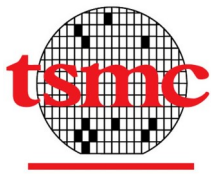
Market Cap: USD 26.3 Billion



- China Vanke is one of China's leading real estate developers with an established presence in over 60 cities across the mainland. Its contract sales in 2015 amounted to RMB 261.5 billion compared to its high-end developer peer average of RMB 136.2 billion.
- The company has also successfully ventured overseas with scores of development projects in Hong Kong, Singapore, New York City and London.
- Given its highly diversified land bank, seasoned management and strong brand management, China Vanke is well positioned to benefit from China's long-term secular growth in housing demand, which is supported by sustainable household income growth.

Taiwan Semiconductor Manufacturing (Technology Hardware)

Market Cap: USD 130.8 Billion



- Taiwan Semiconductor Manufacturing is the world's largest independent semiconductor foundry. The company provides process design, wafer manufacturing and testing services to designers of integrated circuits, that is, chips for electronic devices.
- Currently rumoured to be the exclusive supplier of the A10 chip, which is expected to power the iPhone 7, and A11 chip for what could be named the iPhone 8, its clientele include global giants such as Apple, Qualcomm, Nvidia and Huawei Technologies.
- As a world leader with more than 50% share of the outsourcing market, the company has consistently outperformed its competitors in terms of technology and profitability.

Sunac China Holdings (Real Estate)

Market Cap: USD 2.1 Billion



- Sunac China is a mid to high-end residential and commercial property developer, headquartered in Tianjin. Since its listing in 2010, the company has expanded its footprints to six other cities including Shanghai, Beijing, Chongqing, Wuxi, and Hangzhou.
- In addition to its strong sales growth, Sunac stands out with its outstanding execution capabilities as shown by its premium land acquisitions focusing on select cities, competitive products and healthy balance sheet. Divergence and consolidation trends in the industry will likely provide Sunac with more opportunities for acquisitions.

Shenzhou International Group Holdings (Textile & Apparel)

Market Cap: USD 6.8 Billion



- Shenzhou International Group, whose key customers include global apparel brands such as Nike, Adidas, Puma and Uniqlo, is the largest vertically integrated knitwear manufacturer in China.
- Principally engaged in high-end knitwear on an OEM basis, the company offers various services including customised fabrics, dyeing, printing, embroidery, sewing, packaging and logistics.
- Its growth initiatives are backed by ongoing capacity expansion, a vertically integrated business model, as well as strong R&D capabilities which help the company to remain competitive within an industry that is constantly subject to change in terms of trends and materials.

China Overseas Land & Investment (Real Estate)

Market Cap: USD 31.1 Billion



- China Overseas Land & Investment is a first-class property development enterprise in China. The company also engages in other property related businesses such as property management, property investment, planning and construction design.
- Through its aggressive business approach and strong management team, China Overseas Land & Investment has long been devoted to its own development and scaled operation which now spans across over 49 major cities in mainland China. It has one of the best earnings track record and lowest gearing ratios among its peers.
- Meanwhile, for its commitment towards corporate social responsibility, the company has been selected as a constituent of the Hang Seng Corporate Sustainability Index as well as the Dow Jones Sustainability Index.

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