



3

Cities covered



9

Days spent



38

Companies visited

Equities On The Road

Semiconductor, Software and Renewable Energy
focused trip to China



~ US\$278

billion average
market cap as of 1st
March 2023

Highlights



Innovation & Renewable Energy focused trip to Beijing, Shanghai and Chengdu.



Purpose of the trip: Visited the 3 main sectors >>

Semiconductor

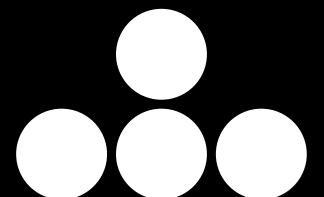
Localisation is ramping up fast in areas left untouched, such as analog. The auto semi segment has the strongest demand and growth visibility. AI development is also unhindered for now.

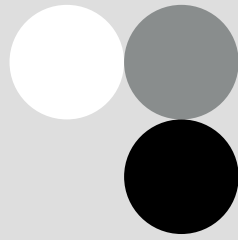
Software

This sector is often neglected by foreign investors owing to the quality gap with Western peers. We see opportunity here because IT system localization by central state-owned enterprises by 2027 will boost corporate demand for domestic software.

Renewable Energy

The outlook for solar demand is positive given lower polysilicon prices. For electric vehicles, rising supply and falling prices will help boost penetration in lower tier cities and the global market.





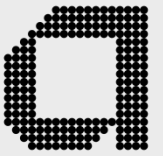
On the ground visit

Company A is an unlisted company offering autonomous driving technology solutions and has the largest revenue streams among its local rivals.

I had the opportunity to sit for 30 minutes in one of its driverless cars.

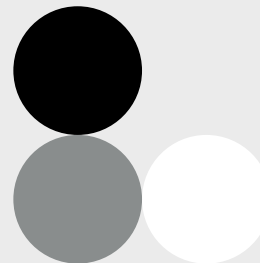
I found the ride surprisingly smooth and it left me convinced that such technology, with safety metrics almost comparable to that of human drivers, will penetrate the mass market over the next decade.





On the ground visit

Company B, located near Chengdu, specialises in making power management semiconductor products. It aims to be among the largest semiconductor companies in China. Focusing on product development and capacity expansion, it is confident of demand given the positive prospects for renewable energy & electric vehicles.

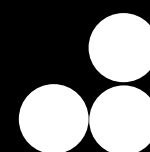
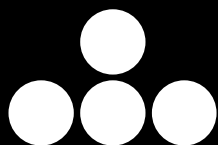




“ It was the first time that I stepped foot on the Chinese mainland after it re-opened. Not needing PCR tests or hotel quarantines made my travel that much more convenient. From what I saw, footfall at shopping malls was brisk. There were long queues at restaurants and traffic congestion was back. It seemed like everything was returning to normal, back to pre-Covid conditions. If I were to summarise my trip in one line, it would be “China is back”. ”



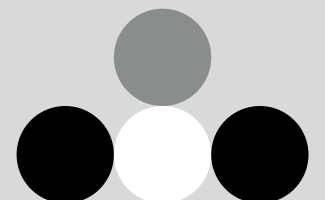
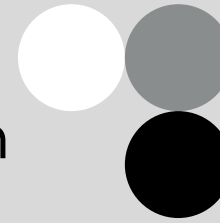
Bush Chu
Investment Manager,
Asian Equities





Our outlook on China

- With China achieving herd immunity rapidly, we see a recovery in consumption driving economic growth this year
- The real estate market has stabilised and is showing good signs of recovery
- We are positive on the China A share market as valuations are still attractive
- Near-term market weakness offers excellent opportunity for long-term investors
- Secular growth in our 5 portfolio themes Aspiration, Digitalisation, Sustainability, Health & Wealth remains intact





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