

Guotai Junan Investment Funds

Guotai Junan Greater China Growth Fund

INTERIM REPORT (Unaudited)
For the six months ended 30 June 2025

Guotai Junan Assets (Asia) Limited

CONTENTS	PAGE(S)
DIRECTORY OF PARTIES	3
INVESTMENT MANAGER'S REVIEW	
- MARKET REVIEW	4-5
- MARKET OUTLOOK & INVESTMENT STRATEGY	6-7
- SUBFUNDS' PERFORMANCE	8-9
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	10-11
STATEMENT OF FINANCIAL POSITION	12
STATEMENT OF CHANGES IN EQUITY	13-14
STATEMENT OF CASH FLOWS	15-16
STATEMENT OF DISTRIBUTION	17
STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO	18
INVESTMENT PORTFOLIO	19-20
DISTRIBUTION DISLCLOSURE	21

DIRECTORY OF PARTIES

Investment Manager

Guotai Junan Assets (Asia) Limited
27th Floor, Low Block
Grand Millennium Plaza
181 Queen's Road Central
Hong Kong

Directors of the Manager

WANG Junhong
LEI Qiang
ZHAO Tong
LAI Changhua
ZHANG Xueming

Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited
1 Queen's Road Central
Hong Kong

Auditor

Ernst & Young
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

Legal Adviser

Deacons
5th Floor, Alexandra House
18 Chater Road Central
Hong Kong

INVESTMENT MANAGER'S REVIEW

FOR THE PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

MARKET REVIEW

The first half of 2025 witnessed continued volatility in the global political and economic arenas, particularly influenced by policy shifts in the United States under the re-elected Trump administration. Despite these challenges, major equity markets demonstrated resilience, with US major indices posting modest gains amid AI-driven momentum, while China and Hong Kong equities extended their recovery from the prior year, supported by ongoing stimulus efforts and tariff truce.

In the United States, economic growth exhibited a mixed trajectory, starting with a contraction in the first quarter before rebounding modestly. Real gross domestic product (GDP) decreased at an annualized rate of 0.5% in the first quarter, reflecting disruptions from new tariffs and policy uncertainties. This was followed by a 3% expansion in the second quarter, driven by consumer spending and inventory adjustments, though overall first-half growth remained subdued at around 1.4% on an annualized basis. Inflation pressures intensified, with the Consumer Price Index (CPI) accelerating to 2.7% year-over-year (YoY) in June, fueled by tariff-induced cost increases. The labor market showed signs of softening, with the unemployment rate ticking up to 4.1% in June, although Nonfarm Payroll gains averaged around 148,000 monthly. In response, the Federal Reserve maintained a cautious stance, implementing no further rate cuts in the first half after the 75 basis points reduced in 2024, as projections from the June FOMC meeting anticipated higher inflation and a potential pause in easing. The Trump administration's policies, including a 10% universal tariff on imports from all countries effective April and stricter immigration controls, introduced significant headwinds, exacerbating inflationary trends and projected to reduce long-term GDP by up to 6% according to economic models. These measures have already contributed to a darker economic outlook, with potential for further labor force shrinkage and reduced consumer confidence.

Artificial intelligence (AI) remained a key driver of U.S. equity performance in the first half of 2025, with investments in AI infrastructure adding approximately 0.5 percentage points to GDP growth. Innovations in AI hardware and models continued to propel the technology sector, leading to outperformance in communication services and information technology stocks. The S&P 500 and Nasdaq Composite indices both advanced by approximately 5.5%, through June. Much of this gain was concentrated in the "Magnificent Seven", though performance was uneven: Nvidia and Meta outperformed, while Apple declined by more than 17% amid competitive pressures and tariff concerns.

The Greater China equity markets built on their 2024 recoveries, posting double-digit gains in the first half of 2025 amid sustained policy support to counter external pressures like US tariffs. The MSCI China Index surged by more than 16%, while the Hang Seng Index jumped by 20%, reflecting improving investor sentiment and liquidities. The Southbound net inflow has reached over 730 billion HKD as of the end of first half, representing stronger pricing power.

At the outset of 2025, lingering concerns from 2024—such as weak domestic demand, property sector woes, and geopolitical tensions—persisted, contributing to cautious market positioning. However, Chinese policymakers intensified stimulus measures, including further reductions in the reserve requirement ratio (RRR) and loan prime rates (LPR), alongside targeted support for consumption, innovation, and real estate stabilization. These actions, announced in waves during March and May, emphasized a resolute commitment to achieving "around 5%" annual GDP growth, helping to offset tariff impacts and bolster market confidence. Although the "reciprocal tariffs" introduced by Donald Trump once led to panic selloff across global equity markets in the beginning of April, stock price stabilized in the following days thanks to 90-day suspensions of tariff hikes and positive negotiation expectations. Moreover, Beijing has emphasized "strengthening extraordinary counter-cyclical measures", leaving policy space for the potential escalation of external shocks, implying more stimulus will be implemented if the risk of economic slowdown arouses. Low valuations, light exposure, and "Fear of Missing Out" (FOMO) amplified the rebound in Greater China equities.

INVESTMENT MANAGER'S REVIEW (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

MARKET REVIEW (CONTINUED)

Macro indicators were mixed: China's GDP expanded 5.3% YoY in the first half, with 5.4% growth in the first quarter slowing slightly to 5.2% in the second. The Purchasing Managers' Index (PMI) hovered around 50 in June, indicating borderline expansion. Inflation stayed muted, with CPI rising 0.3% YoY, while the Producer Price Index (PPI) fell 1.5%, signaling persistent deflationary pressure. The property market showed tentative signs of stabilization, with new home sales declining by a narrower 10% YoY, aided by relaxed purchase restrictions and financing incentives. The supportive policies began to yield some results, though full effects on growth will unfold over time.

The Hong Kong government continued proactive measures to navigate headwinds in retail and services. In the first half of this year, a strong Hong Kong dollar and outbound travel preferences challenged local consumption, while inbound tourism faced competition from regional destinations. In response, authorities expanded fiscal support for tourism promotion, including enhanced marketing campaigns and visa facilitations, alongside talent attraction schemes to bolster workforce competitiveness. These efforts supported an upbeat economic expansion, with first-quarter and second-quarter GDP growing 3.0% YoY and 3.1% YoY, respectively.

INVESTMENT MANAGER'S REVIEW (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2025 (UNAUDITED)**MARKET OUTLOOK & INVESTMENT STRATEGY**

Looking ahead, we anticipate some volatility in the US equity market throughout the remainder of 2025. A primary trigger will be the ongoing implementation of President Trump's policies. The universal 10% baseline tariff on imports enacted in April has already contributed to elevated inflation and slower growth. These measures, aimed at negotiating better trade terms, have disrupted supply chains and could harm long-term GDP growth projections. Additionally, potential extensions or escalations in tariffs, coupled with stricter immigration controls, may challenge the US Dollar's strength and international capital flows. Persistent inflationary pressures, with core CPI projected to remain above 2.5% through year-end, could further erode consumer confidence and curtail discretionary spending, while higher costs deter corporate investments. The Federal Reserve's cautious attitude, with no rate cuts in the first half and projections for potential easing only in late 2025 or early 2026 amid tariff-induced uncertainties, adds to the unpredictable environment.

In light of these factors, we maintain a cautious stance toward the US equities for the balance of the year. Macroeconomic risks, including a projected slowdown in GDP growth to around 1.7% for 2025, have not been fully reflected in current valuations. Investor positioning remains concentrated following recent gains, particularly in technology, where valuations are elevated across multiple metrics. While artificial intelligence continues to drive sector performance, with investments potentially adding 0.5 percentage points to GDP, concerns over a market bubble—echoing dot-com era dynamics—suggest that without groundbreaking innovations surpassing already-elevated expectations, the concentration in AI-related stocks may unwind.

We remain optimistic about the Greater China equity market over the medium to long term. Our view is underpinned by several compelling factors:

Firstly, the Chinese government has shown unwavering resolve in stimulating economic growth, with further measures anticipated in the second half of this year. These include an expanded fiscal deficit target of around 4% of GDP, issuance of ultra-long special government bonds totaling 1.3 trillion yuan, and additional rate cuts by the People's Bank of China (PBoC) to boost consumption and counter external challenges like US tariffs. Such initiatives are projected to help achieve GDP growth of approximately 4.8% to 5% for the whole year, partially offsetting export disruptions.

Secondly, policymakers are placing greater emphasis on the capital market as a pillar of economic stability. Recent commitments, including structural monetary tools to enhance the intrinsic value of listed companies and support shareholder returns, mark a strategic pivot. This evolution, building on the new "National Nine Articles" introduced in 2024, positions equities as a key avenue for household wealth allocation, gradually supplanting the real estate. Institutional investors like lifers are also motivated to increase their equity allocation in a low interest rate environment. Innovations in AI and technology sectors are also expected to bolster valuation re-rating, with rising attention and interests from foreign capital.

Lastly, we are buoyed by the growing cohort of listed companies, especially in Hong Kong, that combine appealing shareholder returns with robust growth potential. Amid subdued sentiment and government encouragement, firms are ramping up dividends and buybacks, supported by strong balance sheets and cash flows. We prioritize industry leaders with competitive moats, well-equipped to gain market share in adversity and thrive in recovery. In addition, the Hong Kong bourse has implemented a series of supports to improve investors' experience and encourage dual-listings. More quality names will be available to investors, enhancing the attractiveness and the overall liquidity of Hong Kong equity market.

In summary, although macroeconomic headwinds persist, we believe more measures will be introduced to protect the downside of the Chinese economy. The risk-reward profile in the Greater China equity market, particularly Hong Kong, still remains compelling in long-run. Coupled with ample liquidity and sustained

INVESTMENT MANAGER'S REVIEW (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2025 (UNAUDITED)

MARKET OUTLOOK & INVESTMENT STRATEGY (CONTINUED)

Southbound net inflow, valuation multiples can be pushed even higher. Our investment strategy emphasizes selective exposure to companies with high barriers to entry and strong shareholder return commitments. A barbell strategy is suited for the current market environment, in our view, to attain medium to long-term capital gain.

INVESTMENT MANAGER'S REVIEW (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
SUB-FUNDS' PERFORMANCE

A. Guotai Junan Greater China Growth Fund

Performance table

Index / Fund's Name	Jan - Jun 2025 Rate of Return (%) *	Since Inception Rate of Return (%)
Hang Seng China-Affiliated Total Return Index	10.49%	36.95%
Taiwan Taixex Total Return Index	-2.18%	384.92%
Hang Seng China Enterprises Total Return Index	21.67%	-3.29%
Hang Seng Total Return Index	22.86%	63.12%
MSCI Golden Dragon Total Return Index	10.92%	111.62%
Guotai Junan Greater China Growth Fund	15.15%	9.82%
MSCI China Daily Total Return Index	18.07%	39.05%

* Ranked by the total returns of indices or the Fund for Jan - Jun 2025.

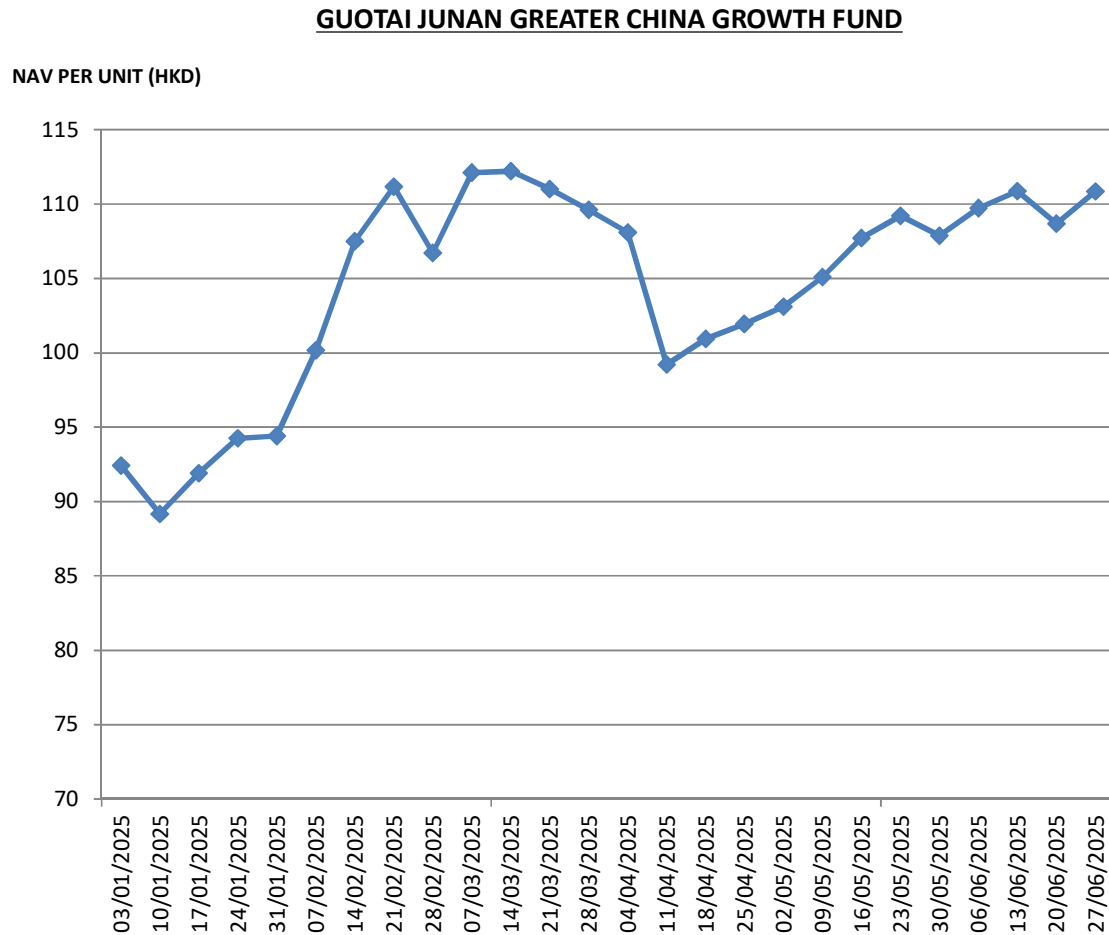
The total return of the Guotai Junan Greater China Growth Fund ("GJGC" hereafter) increased by 15.2% in 1H25, and recorded a profit of 9.8% since inception i.e. 19 Nov 2007.

In the first half of 2025, GJGC underperformed the total returns of the Hang Seng Index ("HSI") and Hang Seng China Enterprises Index ("HSCEI") by 7.7% and 6.5%, respectively.

As of the end of 1H25, GJGC's portfolio was well diversified. Among all exposure, financials, consumer discretionary, and communication services were the top weighed sectors, which made up of 28.9%, 25.9% and 19.0% of the NAV respectively.

INVESTMENT MANAGER'S REVIEW (CONTINUED)
FOR THE PERIOD ENDED 30 JUNE 2025 (UNAUDITED)
SUB-FUNDS' PERFORMANCE (CONTINUED)

A. Guotai Junan Greater China Growth Fund



STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)
GUOTAI JUNAN GREATER CHINA GROWTH FUND

	1st January 2025 to 30th June 2025 HK\$	1st January 2024 to 30th June 2024 HK\$
Income		
Dividend income	1,573,726	1,090,852
Interest income	7,098	6,434
Total income	1,580,824	1,097,286
Expenses		
Trustee fees ^{Note 1}	234,000	234,000
Sub custody and bank charges ^{Note 1}	12,638	10,041
Valuation fees ^{Note 1}	65,462	66,225
Auditor's remuneration	76,608	80,807
Brokerage and handling fees	339,822	413,901
Management fees	633,939	559,865
Transaction fees ^{Note 1}	104,660	98,645
Registrar fees ^{Note 1}	21,006	20,866
Miscellaneous expenses ^{Note 1}	75,637	77,997
Total expenses	1,563,772	1,562,347
Gain/(loss) before investment gain and exchange differences	17,052	(465,061)
Investment gain and exchange differences		
Net change in unrealised gain/(loss) on investments	6,260,219	(33,267)
Net realised gain on investments	6,256,841	1,036,802
Foreign exchange differences	(8,224)	(10,863)
Investment gain and exchange differences	12,508,836	992,672
Profit before tax	12,525,888	527,611
Withholding tax	(61,836)	(30,591)
Profit for the period	12,464,052	497,020
Other comprehensive income for the period, net of tax	-	-
Total comprehensive income for the period	12,464,052	497,020

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)
GUOTAI JUNAN GREATER CHINA GROWTH FUND

Note 1 During the period ended 30 June 2025 and 2024, below respective amounts paid to the Trustee or its Connected Persons were as follows:

	1st January 2025 to 30th June 2025 HK\$	1st January 2024 to 30th June 2024 HK\$
Registrar fees	21,006	20,866
Valuation fees	65,462	66,225
Sub custody and bank charges	12,638	10,041
Miscellaneous expenses	54,301	51,586
Transaction fees	104,660	98,645
Trustee fees	234,000	234,000

STATEMENT OF FINANCIAL POSITION
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)
GUOTAI JUNAN GREATER CHINA GROWTH FUND

	30 June 2025	31 December 2024
	HK\$	HK\$
Assets		
Financial assets at fair value through profit or loss	78,166,690	81,534,964
Dividend receivables	631,829	77,297
Due from brokers	442,622	-
Interest receivables	49	4
Cash and bank balances	7,177,507	682,366
Total assets	86,418,697	82,294,631
Liabilities		
Other payables and accruals	337,178	482,147
Redemption payable	-	99,031
Total liabilities	337,178	581,178
Equity		
Net assets attributable to unitholders	86,081,519	81,713,453
Total liabilities and equity	86,418,697	82,294,631
	Units	Units
Number of units in issue	783,843.97	856,813.56
	HK\$	HK\$
Net asset value per unit	109.82	95.37

Note: The semi-annual report of the sub-fund has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)
GUOTAI JUNAN GREATER CHINA GROWTH FUND

	1st January 2024 to 30th June 2024 HK\$
At 1 January 2024	77,239,097
Subscription of units	11,321
Redemption of units	(3,369,577)
Total comprehensive income for the period	497,020
At 30 June 2024	<u>74,377,861</u>
	1st January 2025 to 30th June 2025 HK\$
At 1 January 2025	81,713,453
Subscription of units	33,582
Redemption of units	(8,129,568)
Total comprehensive income for the period	12,464,052
At 30 June 2025	<u>86,081,519</u>

STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)
GUOTAI JUNAN GREATER CHINA GROWTH FUND

Number of units in issue	Units
Units outstanding at 1 January 2024	932,205.180
Units subscribed	140.570
Units redeemed	(39,196.070)
Units outstanding at 30 June 2024	893,149.680
Number of units in issue	Units
Units outstanding at 1 January 2025	856,813.560
Units subscribed	335.440
Units redeemed	(73,305.030)
Units outstanding at 30 June 2025	783,843.970

STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)

GUOTAI JUNAN GREATER CHINA GROWTH FUND

	1st January 2025 to 30th June 2025 HK\$	1st January 2024 to 30th June 2024 HK\$
Cash flows from operating activities		
Profit before tax	12,525,888	527,611
Adjustments for:		
Net change in unrealised (gain)/loss on investments	(6,260,219)	33,267
Net realised gain on investments	(6,256,841)	(1,036,802)
Interest income	(7,098)	(6,434)
Dividend income	(1,573,726)	(1,090,852)
	<u>(1,571,996)</u>	<u>(1,573,210)</u>
Payments on purchases of financial assets and liabilities at fair value through profit or loss	(99,412,302)	(128,714,314)
Proceeds from disposals of financial assets and liabilities at fair value through profit or loss	115,297,636	131,025,733
Increase in amounts due from brokers	(442,622)	(2,920,530)
Decrease in amounts due to brokers	-	(4,592,156)
(Decrease)/increase in other payables and accruals	(144,969)	52,274
Interest received	7,053	6,866
Dividend received	1,019,194	300,804
Withholding tax paid	(61,836)	(30,591)
	<u>14,690,158</u>	<u>(6,445,124)</u>
Net cash flows from/(used in) operating activities		

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)
GUOTAI JUNAN GREATER CHINA GROWTH FUND

	1st January 2025 to 30th June 2025 HK\$	1st January 2024 to 30th June 2024 HK\$
Cash flows from financing activities		
Proceeds from issuance of units	33,582	11,321
Payments on redemption of units	(8,228,599)	(3,369,577)
Net cash flows used in financing activities	(8,195,017)	(3,358,256)
 Net increase/(decrease) in cash and cash equivalents	 6,495,141	 (9,803,380)
Cash and cash equivalents at beginning of the period	682,366	9,938,472
Cash and cash equivalents at end of the period	7,177,507	135,092
 Analysis on balances of cash and cash equivalents		
Bank balances	7,177,507	135,092

STATEMENT OF DISTRIBUTION
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)
GUOTAI JUNAN GREATER CHINA GROWTH FUND

	1st January 2024 to 30th June 2024 HK\$
Undistributed income at 1 January 2024	-
Total comprehensive income for the period	497,020
Add: Net change in unrealised loss on investments	33,267
	<u>530,287</u>
Undistributed income before distribution	<u>530,287</u>
Transfer to capital	(530,287)
Undistributed income at 30 June 2024	<u>-</u>
	1st January 2025 to 30th June 2025 HK\$
Undistributed income as at 1 January 2025	-
Total comprehensive income for the period	12,464,052
Less: Net change in unrealised gain on investments	(6,260,219)
	<u>6,203,833</u>
Undistributed income before distribution	<u>6,203,833</u>
Transfer to capital	(6,203,833)
Undistributed income at 30 June 2025	<u>-</u>

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO
FOR THE SIX MONTHS ENDED 30 JUNE 2025 (UNAUDITED)
GUOTAI JUNAN GREATER CHINA GROWTH FUND

	% of Net Assets 30 June 2025	% of Net Assets 31 Dec 2024
Equity		
- Cayman Islands	7.56	7.38
- China	69.28	75.37
- Hong Kong	11.01	17.03
- Macau	1.77	-
- United Kingdom	1.19	-
	<hr/>	<hr/>
	90.81	99.78
	<hr/>	<hr/>

INVESTMENT PORTFOLIO
AS AT 30 JUNE 2025 (UNAUDITED)
GUOTAI JUNAN GREATER CHINA GROWTH FUND

Investment Portfolio as at 30 JUNE 2025

Listed Investment Equities	Holdings	Market Value (HKD)	% of Net Assets
CAYMAN ISLANDS			
ALIBABA GROUP HOLDING LTD	59,300	6,511,140	7.56
CHINA			
BILIBILI INC	5,400	905,580	1.05
BYD CO LTD	4,500	551,250	0.64
CHINA ANIMAL HEALTHCARE LTD ¹	316,000	-	-
CHINA CONSTRUCTION BANK CORPORATION	875,000	6,930,000	8.05
CHINA MENGNIU DAIRY CO LTD	46,000	740,600	0.86
CHINA MERCHANTS BANK CO LTD	37,000	2,029,450	2.36
CHINA MOBILE LTD	44,000	3,832,400	4.45
CHINA PACIFIC INSURANCE (GR) CO LTD	60,000	1,611,000	1.87
CHINA SHENHUA ENERGY CO LTD	27,000	822,150	0.95
CHINA UNICOM (HONG KONG)	476,000	4,426,800	5.14
CNOOC LTD	226,000	4,004,720	4.65
GEELY AUTOMOBILE HOLDINGS LTD	131,000	2,090,760	2.43
GIANT BIOGENE HOLDING CO LTD	8,000	461,600	0.54
INDUSTRIAL AND COMMERCIAL BANK OF CHINA	720,000	4,478,400	5.20
KUNLUN ENERGY CO LTD	164,000	1,249,680	1.45
LI AUTO INC	20,800	2,225,600	2.59
MEITUAN	35,100	4,398,030	5.11
MIDEA GROUP CO LTD	15,000	1,116,750	1.30
NETEASE INC	6,600	1,392,600	1.62
PETROCHINA CO LTD	306,000	2,065,500	2.40
PICC PROPERTY AND CASUALTY CO LTD	166,000	2,523,200	2.93
PING AN INSURANCE (GROUP) CO	51,500	2,567,275	2.98
TENCENT HOLDINGS LTD	11,600	5,834,800	6.78
TONGCHENG TRAVEL HOLDINGS LTD	82,000	1,605,560	1.87
TRIP.COM GROUP LTD	50	22,800	0.03
XTEP INTERNATIONAL HOLDINGS	225,000	1,266,750	1.47
ZIJIN MINING GROUP CO LTD	24,000	481,200	0.56

¹ Trading for these securities was suspended since 30 March 2015. The security was written-down to nil.

INVESTMENT PORTFOLIO (CONTINUED)
AS AT 30 JUNE 2025 (UNAUDITED)
GUOTAI JUNAN GREATER CHINA GROWTH FUND

Investment Portfolio as at 30 JUNE 2025

Listed Investment Equities	Holdings	Market Value (HKD)	% of Net Assets
HONG KONG			
CLP HOLDINGS LTD	37,500	2,478,750	2.88
GALAXY ENTERTAINMENT GROUP LTD	29,000	1,010,650	1.18
HONG KONG EXCHANGES AND CLEARING LTD	8,900	3,727,320	4.33
POWER ASSETS HOLDINGS LTD	35,500	1,790,975	2.08
WH GROUP LTD	62,000	468,100	0.54
MACAU			
MGM CHINA HOLDINGS LTD	118,000	1,519,840	1.77
UNITED KINGDOM			
HSBC HLDGS PLC	10,800	1,025,460	1.19
TOTAL INVESTMENTS, AT FAIR VALUE		78,166,690	90.81
TOTAL INVESTMENTS, AT COST		71,860,354	

DISTRIBUTION DISCLOSURE

RECORD OF DISTRIBUTION FROM 1 JANUARY 2025

GUOTAI JUNAN GREATER CHINA GROWTH FUND

No distribution has been declared for the reported period from 1 January 2025 to 30 June 2025.