

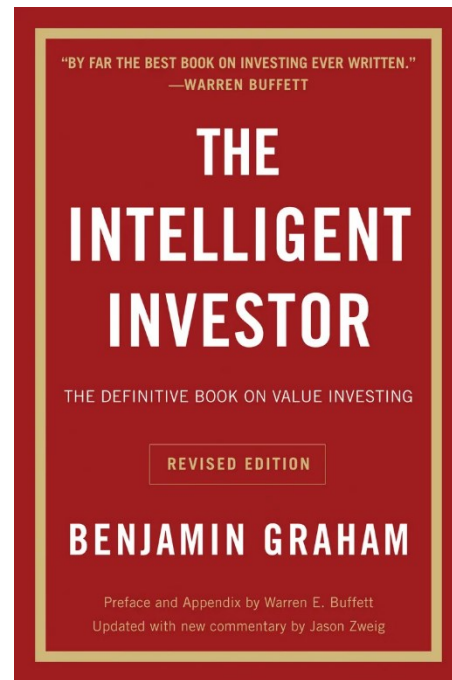


榜样投资 | BANYAN
PARTNERS

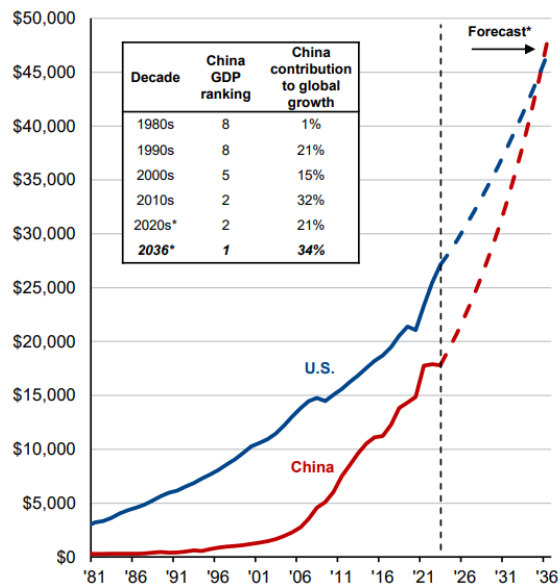
Value Investment in China with data-driven insight and unconventional foresight.

Presentation
August 14, 2025

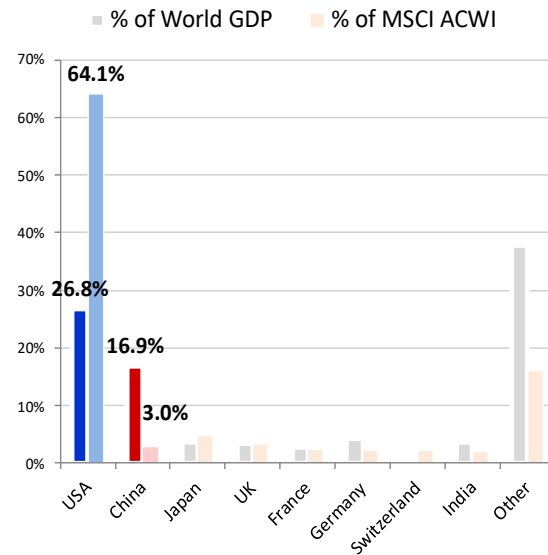
We believe in the fundamental principles of Benjamin Graham's Value Investing Philosophy. A value investor thinks like a business owner, requires a large margin of safety before investing and profits from the emotionality of markets.



The Macro Case for China



Source: Guide to China Q1 2024, J.P. Morgan Asset Management, 2024.

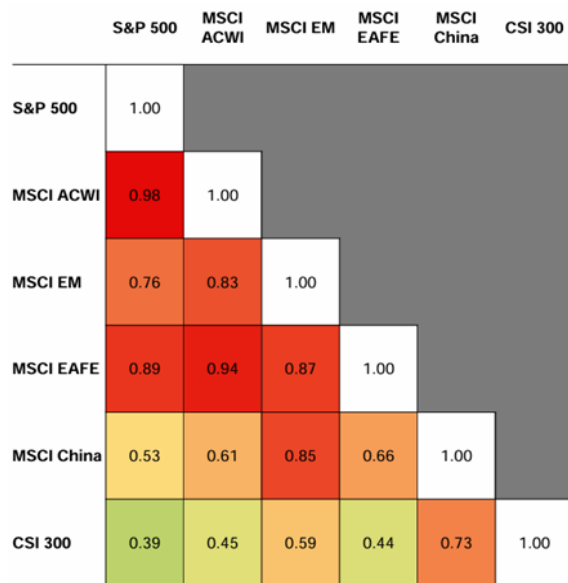


Source: Own Calculations

China is the world's second largest economy and cannot be ignored

US dominates global indices while China is underrepresented

The Macro Case for China



Source: Guide to China Q1 2024, J.P. Morgan Asset Management, 2024. Monthly Correlations from 2009-2024

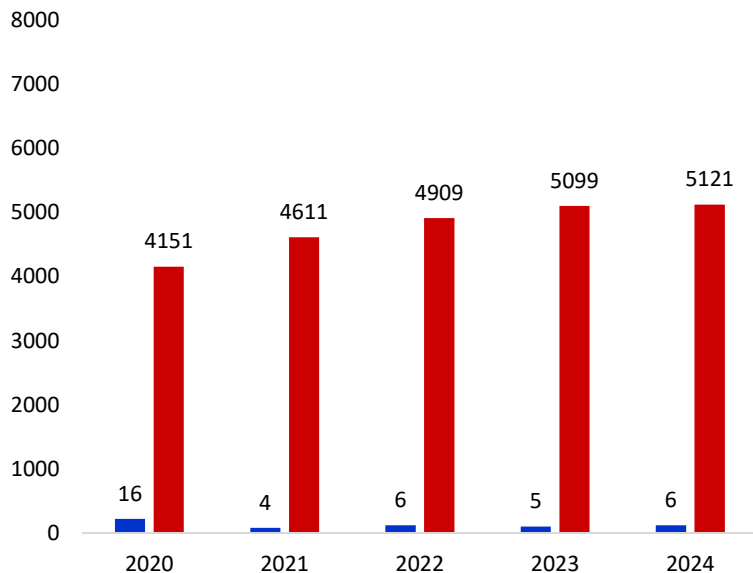
Chinese equities are excellent for diversification



China is innovating with world leading companies

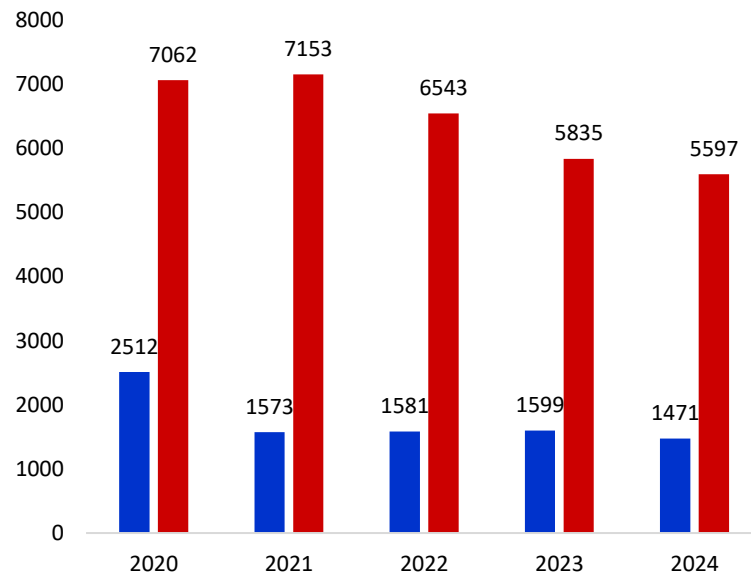
Number of listed companies vs number with market cap below USD 100 million

Stock Market I



Source: Wind

Stock Market II



Large Universe

- 5000+ Chinese A-shares with a total market cap over \$10T

Liquid Market

- High stock turnover of around 200% yearly, second highest in the world

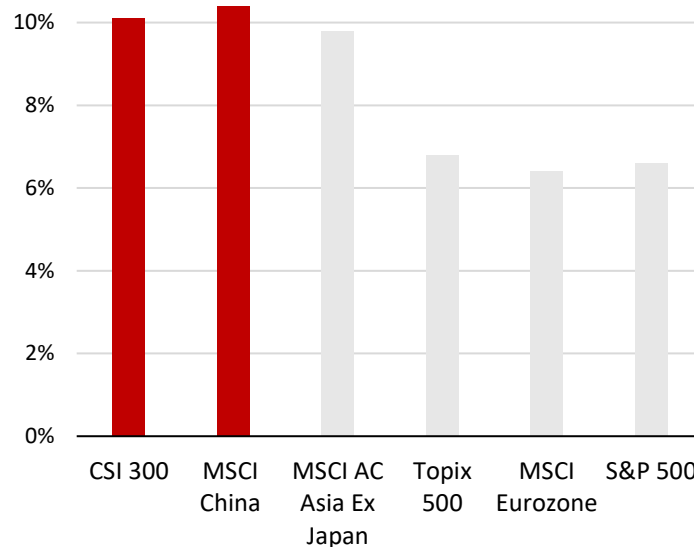
Heavy Participation from Speculating Retail Investors

- Chinese retail investors contribute over 80% of volume vs 10% in the US

High Dispersion of Returns

- Higher possible alpha generation compared to Europe and the US

Dispersion of returns



Source: Thomson Datastream, UBS, as of 30 June 2020. Based on 5- year average standard deviation of constituents' monthly returns

Large caps are very attractively valued

- On P/E, the CSI 300 is cheap relative to its own history and in absolute terms

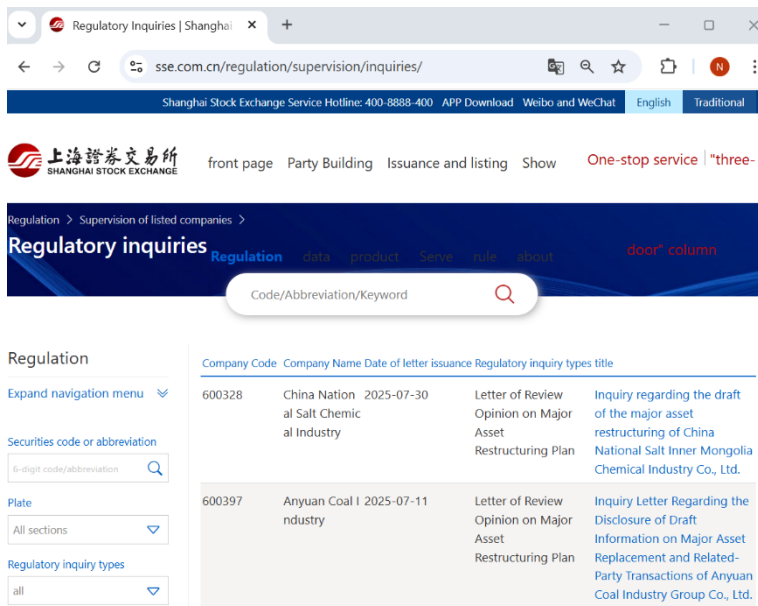
Small caps are at extremely frothy heights

- Speculation on small and bad companies leads to irrational valuations

Index	Latest P/E	Avg. P/E	Cumulative return	Period
CSI 300	13.1	15.5	41.3%	15-year
CSI 500	30.3	35.7	48.2%	15-year
CSI 1000	41.0	46.3	-27.7%	10-year
CSI 2000	140.1	75.5	61.8%	1-year

Source: Wind, as of August 2025. P/E on a LTM basis

Common Misconceptions



The screenshot shows the Shanghai Stock Exchange (SSE) Regulatory Inquiries page. The header includes the SSE logo and navigation links. The main content area features a search bar and a table of regulatory inquiries.

Company Code	Company Name	Date of letter issuance	Regulatory inquiry types title
600328	China National Salt Chemical Industry	2025-07-30	Letter of Review Opinion on Major Asset Restructuring Plan
600397	Anyuan Coal Industry	2025-07-11	Letter of Review Opinion on Major Asset Restructuring Plan

❌ Chinese financial statements cannot be trusted



❌ Policy in China is unpredictable and anti business

“China's economy holds better future prospects over the next 20 years than most, with its leading companies not only stronger but also available at a cheaper price.”

- Charles T. Munger, 2023



- Stable, cash generating B2C medical devices business
- One time US government covid test orders boosted revenue and profit
- Trading below net cash, returning about 7.4% TTM via buybacks and dividends



- Category killer in civil electricals with two stable core businesses
- Fast growing EV charging segment and global expansion
- Strong finances, founder led, set to compound long term at a fair price



- Leading B2C medical device maker, the bestseller on Tmall and JD
- Benefiting from aging population, import substitution and home care
- 600+ products and 10,000+ specifications with strong ongoing R&D



Contact Us For Our Case Studies And Factsheet!

Banyan's single stock case studies

- Investment in Minth resulted 4X return over a 5 year holding period.
- Minth is a leading automotive parts manufacturer that started with supplying parts to Japanese auto factories in China. With close to 10 years of development since founding, the company has expanded its product offering to include decorative parts, structural parts and etc. Minth also expanded its customer base to include European, US and even local Chinese auto manufacturers. Company also exports close to 20% of revenue.
- At the time of initial investment, company's Market Cap (USD) was about 4000 mil RMB equivalent with RMB1470 mil net cash and it was trading at EV/EBITDA around 4.7x and P/E around 9.0x.
- At the time, Minth generated RMB1957 mil LTM Revenue, with over 40% CAGR in the preceding years and achieved LTM EBITDA of RMB640 mil. With expanded customer base and stronger product offering, Minth maintained high growth rate in recent year and generated revenue of RMB9400 mil in FY2018.
- Investment highlights
 - Localized and experienced management team that has demonstrated ability to operate under extreme industry conditions. Despite a deteriorating global economy, company was able to manage only a slight drop in gross margin and maintained healthy EBITDA margin.
 - Opportunity to enter at a reasonable valuation and enjoy the robust growth in auto parts industry as a direct result of China's automobile boom.



Banyan C10 factsheet



We Look Forward To Getting To Know You!



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Experienced Investment Team

- ❖ Our CEO/PM Xin Wu is a Stanford-educated engineer with a private equity background from Chase Capital Partners / J.P. Morgan Partners and over 18 years of experience as a hedge fund manager investing in China-related equities.
- ❖ The core team has worked together for over 14 years, collectively bringing an average of 25 years of investment experience and a vast global network.

Outstanding Performance

- ❖ The Banyan China Select Fund has achieved top 2% returns among Chinese onshore funds with a 9+ years track record.
- ❖ It consistently outperformed the CSI 300 by over 6% annually, with significantly lower volatility and drawdowns.

Excellent Qualitative & Quantitative Research

- ❖ Xin Wu's unique background in private equity and venture capital builds the foundation of our rigorous private equity-style fundamental research.
- ❖ We integrate proprietary, data-driven tools, including automated financial statement analysis for all 5,000+ Chinese equities, into our fundamental research.

Highly Respected Clients & Aligned Interests

- ❖ The largest Chinese university endowment fund has invested with us.
- ❖ Interests are aligned with a significant amount of the team's own money invested in Banyan's funds.