

BOCOM INTERNATIONAL CHINA DYNAMIC FUND
(A sub-fund of BOCOM International Fund)

SEMI-ANNUAL REPORT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016

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MANAGEMENT AND ADMINISTRATION

Manager

BOCOM International Asset Management Limited
9/F, Man Yee Building
68 Des Voeux Road Central
Central
Hong Kong

Directors of the Manager

TAN Yueheng
CHENG Chuange
KO Yu Kit (resigned on 29 February 2016)

Trustee and Registrar

Bank of Communications Trustee Limited
1/F, Far East Consortium Building
121 Des Voeux Road Central
Central
Hong Kong

PRC Custodian

HSBC Bank (China) Company Limited
33/F, HSBC Building, Shanghai ifc
8 Century Avenue, Pudong
Shanghai

Legal Counsel to the Manager

Deacons
5/F, Alexandra House
18 Chater Road
Central
Hong Kong

Auditor

PricewaterhouseCoopers
21/F, Edinburgh Tower
15 Queen's Road
Central
Hong Kong

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REPORT OF THE MANAGER TO THE UNITHOLDERS

In the first half of 2016, the volatility of A share market was still very high. When everyone held the view that the high market volatility of the market was coming to an end, the circuit breaker incident occurred at the start of the year led to the massive falling of market index. CSI 300 index plunged 23.5% from 3731 on December 31st, 2015 to 2853.76 on 28th Jan 2016 , which was the lowest close price in the first half of the year. Later on, the market eased up and the index rebounded in ups and downs. However, the macro-economy was far from satisfactory, so that the stock market still undergone fluctuations. By June 30th 2016, the China Dynamic Fund R-class plunged 14.8%, 0.71percentage points ahead of CSI 300.

Sector rotation continued and structured quotation emerged. The CSI 300 index was far from satisfactory, but there appeared structured quotation. The shares of lithium battery, automotive electronics, gold and blue-chips were moving up. With the decrease of market fluctuations, the market changed gradually from chasing after innovation-driven enterprises to going after stably increased blue-chip shares with high dividend.

In the second half of the year, the recovery of market fluctuations will continue. With the official declaration of Shenzhen-Hong Kong Stock Connect, it is estimated that the individual shares of small and medium-sized start-ups of A shares with high stock valuations will be called back. However, the white horse stock that grows steadily and the concept of reforming stated owned enterprises will be popular. We will shoulder due responsibilities as always and create more profit for unitholders.

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STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2016

	30 Jun 2016 RMB	31 Dec 2015 RMB
Non-Current Assets		
Deposit reserve	224,000	224,000
Assets		
Financial assets at fair value through profit or loss	34,525,700	45,617,183
Interest receivable	34,581	95,516
Amounts due from brokers	1,326,845	-
Cash and cash equivalents	5,123,808	2,237,112
Total assets	41,234,934	48,173,811
Non-Current Liabilities		
Deferred tax liability	8,019	8,732
Liabilities		
Amounts due to brokers	459,658	-
Management fee payable	43,037	52,835
Trustee fee payable	60,984	63,189
Sub-custodian fee payable	3,258	3,993
Preliminary expenses payable	360,450	360,450
Provision for tax	23,917	23,917
Accrued expenses and other payables	66,913	125,824
Total liabilities (excluding net assets attributable to unitholder)	1,026,236	638,940
Net assets attributable to unitholders (after amortization of establishment costs)	40,208,698	47,534,871
Represented by:		
Net assets attributable to unitholders (before amortization of establishment costs)	40,436,512	47,810,032
Adjustment for different basis adopted by the Sub-Fund in arriving at net asset attributable to unitholder	(227,814)	(275,161)
Net assets per class		
Class I	24,145,790	28,238,055
Class R	16,290,722	19,571,977
Number of units outstanding		
Class I	2,100,000.000	2,100,000.000
Class R	1,424,779.873	1,461,506.462
Net asset value per unit		
Class I	11.497	13.447
Class R	11.433	13.392

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 JUNE 2016

Investments (85.38%)	Holdings	Fair Value RMB	% of Net Asset
Debt securities (8.62%)			
Listed in China			
CHINA GOVERNMENT BOND 4.26% 7/31/2021	1,020,000	1,102,416.00	2.73%
CHINA GOVERNMENT BOND 3.4% 4/17/2023	2,300,000	2,382,110.00	5.89%
		3,484,526.00	8.62%
Equity securities (76.76%)			
Listed in China			
MIDEA GROUP CO LTD	143,500.00	3,403,820.00	8.42%
YUNNAN BAIYAO GROUP CO LTD	27,600.00	1,774,680.00	4.39%
GREE ELECTRIC APPLIANCES INC OF ZHUHAI	89,700.00	1,724,034.00	4.26%
WULIANGYE YIBIN CO LTD	27,000.00	878,310.00	2.17%
ENJOYOR CO LTD	20,000.00	372,000.00	0.92%
HITHINK ROYALFLUSH INFORMATION NETWORK CO LTD	6,902.00	562,168.00	1.39%
CHINA MINSHENG BANKING CORP LTD	172,000.00	1,535,960.00	3.80%
ZHENGZHOU YUTONG BUS CO LTD	28,000.00	554,400.00	1.37%
BEIJING TONGRENTANG CO LTD	84,800.00	2,526,192.00	6.25%
JIANGSU HENGRUI MEDICINE CO LTD	40,800.00	1,636,488.00	4.05%
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO LTD	40,000.00	985,600.00	2.44%
ZHANGZHOU PIENZHEHUANG PHARMACEUTICAL CO LTD	10,000.00	450,100.00	1.11%
KWEICHOW MOUTAI CO LTD	13,100.00	3,824,152.00	9.46%
HUNDSUN TECHNOLOGIES INC	30,000.00	2,003,100.00	4.95%
FUYAO GLASS INDUSTRY GROUP CO LTD	23,500.00	329,000.00	0.81%
HAITONG SECURITIES CO LTD	109,907.00	1,694,766.00	4.19%
TONGHUA DONGBAO PHARMACEUTICAL CO LTD	17,880.00	369,937.00	0.91%
INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD	98,500.00	1,641,995.00	4.06%
AGRICULTURAL BANK OF CHINA LTD	340,000.00	1,088,000.00	2.69%
PING AN INSURANCE GROUP CO OF CHINA LTD	81,800.00	2,620,872.00	6.48%
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD	240,000.00	1,065,600.00	2.64%
		31,041,174	76.76%
Total investments		34,525,700	85.38%

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INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

AS AT 30 JUNE 2016

Other net assets	<u>5,910,812</u>	<u>14.62%</u>
Total net assets as at 30 June 2016 (before amortization of establishment costs)	<u>40,436,512</u>	<u>100.00%</u>
Total investments at cost	<u>32,984,765</u>	

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

Investments	31 December 2015	Additions	Holdings Disposals	30 June 2016
Debt securities				
CHINA GOVERNMENT BOND 4.26% 7/31/2021	1,020,000	-	-	1,020,000
CHINA GOVERNMENT BOND 3.4% 4/17/2023	1,100,000	-	-	2,300,000
CHINA DEVELOPMENT BANK 5.8% 1/3/2016	1,200,000	-	1,200,000	-
Equity securities				
TIANMA MICROELECTRONICS CO LTD	-	31,000	31,000	-
MIDEA GROUP CO LTD	79,000	25,000	-	143,500
DONGXU OPTOELECTRONIC TECHNOLOGY CO LTD	-	65,000	65,000	-
YUNNAN BAIYAO GROUP CO LTD	27,600	-	-	27,600
CHONGQING CHANGAN AUTOMOBILE CO LTD	-	80,000	80,000	-
GREE ELECTRIC APPLIANCES INC OF ZHUHAI	89,700	-	-	89,700
GF SECURITIES CO LTD	130,000	55,000	185,000	-
CHANGJIANG SECURITIES CO LTD	-	60,000	60,000	-
WULIANGYE YIBIN CO LTD	-	32,000	5,000	27,000
HENAN SHUANGHUI INVESTMENT & DEVELOPMENT CO LTD	-	43,000	43,000	-
HUADONG MEDICINE CO LTD	24,500	-	24,500	-
SHANXI XISHAN COAL & ELECTRICITY POWER CO LTD	-	50,000	50,000	-
CHINA MERCHANTS SHEKOU INDUSTRIAL ZONE HOLDINGS CO LTD	-	80,000	80,000	-
HAN'S LASER TECHNOLOGY INDUSTRY GROUP CO LTD	-	15,000	15,000	-
HUAFU TOP DYED MELANGE YARN CO LTD	20,000	-	20,000	-
SUZHOU GOLD MANTIS CONSTRUCTION DECORATION CO LTD	30,000	-	30,000	-
ETERNAL ASIA SUPPLY CHAIN MANAGEMENT LTD	16,000	-	16,000	-
JOYOUNG CO LTD	-	30,000	30,000	-
ZHEJIANG WANMA CO LTD	-	10,000	10,000	-
ZHEJIANG ASIA-PACIFIC MECHANICAL & ELECTRONIC CO LTD	-	35,000	35,000	-
YANTAI JEREH OILFIELD SERVICES GROUP CO LTD	-	30,000	30,000	-
BEIJING SEVENSTAR ELECTRONICS CO LTD	-	5,000	5,000	-
FUJIAN STAR-NET COMMUNICATION CO LTD	14,000	-	14,000	-
HANGZHOU HIKVISION DIGITAL TECHNOLOGY CO LTD	13,000	-	13,000	-
GUANGDONG SHENGLU TELECOMMUNICATION TECH CO LTD	-	20,000	20,000	-
KANGDE XIN COMPOSITE MATERIAL GROUP CO LTD	10,000	-	10,000	-
CHUYING AGRO-PASTORA GROUP CO LTD	-	36,000	36,000	-
ORG PACKAGING CO LTD	-	10,000	10,000	-
MUYUAN FOODSTUFF CO LTD	-	10,000	10,000	-
ENJOYOR CO LTD	-	20,000	-	20,000
HUAYI BROTHERS MEDIA CORP	-	60,000	60,000	-
HITHINK ROYALFLUSH INFORMATION NETWORK CO LTD	-	6,902	-	6,902

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

Investments (Continued)	31 December 2015	Additions	Holdings Disposals	30 June 2016
Equity securities (Continued)				
BEIJING SANJU ENVIRONMENTAL PROTECTION AND NEW MATERIAL CO LTD	-	20,000	20,000	-
ZHEJIANG HUACE FILM & TV CO LTD	-	42,000	42,000	-
WONDERS INFORMATION CO LTD	-	15,000	15,000	-
CHINA MINSHENG BANKING CORP LTD	-	172,000	-	172,000
CITIC SECURITIES CO LTD	-	65,000	65,000	-
CHINA MERCHANTS BANK CO LTD	-	82,000	82,000	-
ZHENGZHOU YUTONG BUS CO LTD	-	28,000	-	28,000
HUMANWELL HEALTHCARE GROUP CO LTD	44,000	-	44,000	-
BEIJING TONGRENTANG CO LTD	84,800	-	-	84,800
SAIC MOTOR CORP LTD	59,000	-	59,000	-
SINOLINK SECURITIES CO LTD	-	80,000	80,000	-
CHINA NORTHERN RARE EARTH GROUP HIGH- TECH CO LTD	23,000	60,000	83,000	-
CHINA SPORTS INDUSTRY GROUP CO LTD	40,000	-	40,000	-
JINYU BIO-TECHNOLOGY CO LTD	48,000	-	48,000	-
SHAANXI QINLING CEMENT CO LTD	-	37,500	37,500	-
JIANGSU HENGRUI MEDICINE CO LTD	24,000	10,000	-	40,800
GUANGZHOU BAIYUNSHAN PHARMACEUTICAL HOLDINGS CO LTD	-	40,000	-	40,000
YANG QUAN COAL INDUSTRY GROUP CO LTD	-	50,000	50,000	-
ZHEJIANG LONGSHENG GROUP CO LTD	180,000	30,000	210,000	-
ZHANGZHOU PIENZEHUANG PHARMACEUTICAL CO LTD	-	25,000	15,000	10,000
KEDA CLEAN ENERGY CO LTD	-	30,000	30,000	-
KWEICHOW MOUTAI CO LTD	13,100	-	-	13,100
HUNDSUN TECHNOLOGIES INC	-	38,000	8,000	30,000
ANHUI CONCH CEMENT CO LTD	81,000	15,000	96,000	-
YONYOU NETWORK TECHNOLOGY CO LTD	20,000	-	20,000	-
ZHEJIANG DAILY MEDIA GROUP CO LTD	-	20,000	20,000	-
SHANGHAI ORIENTAL PEARL MEDIA CO LTD	61,000	-	61,000	-
FUYAO GLASS INDUSTRY GROUP CO LTD	-	23,500	-	23,500
WUXI TAIJI INDUSTRY CO LTD	-	68,000	68,000	-
HAITONG SECURITIES CO LTD	-	109,907	-	109,907
TONGHUA DONGBAO PHARMACEUTICAL CO LTD	74,200	-	59,300	17,880
CHENGDU B-RAY MEDIA CO LTD	81,000	-	81,000	-
INNER MONGOLIA YILI INDUSTRIAL GROUP CO LTD	-	98,500	-	98,500
CHINA RAILWAY CONSTRUCTION CORP LTD	-	35,000	35,000	-
AGRICULTURAL BANK OF CHINA LTD	-	340,000	-	340,000
PING AN INSURANCE GROUP CO OF CHINA LTD	81,800	-	-	81,800
NEW CHINA LIFE INSURANCE CO LTD	-	34,500	34,500	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD	-	240,000	-	240,000
CHINA PACIFIC INSURANCE GROUP CO LTD	-	14,000	14,000	-
CHINA LIFE INSURANCE CO LTD	-	25,000	25,000	-
POWER CONSTRUCTION CORP OF CHINA LTD	-	50,000	50,000	-
HUATAI SECURITIES CO LTD	-	31,000	31,000	-
SHANXI LU'AN ENVIRONMENTAL ENERGY DEVELOPMENT CO LTD	-	45,000	45,000	-

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2016**

	31 December		Holdings	30 June
Investments (Continued)	2015	Additions	Disposals	2016
Equity securities (Continued)				
CHINA INTERNATIONAL TRAVEL SERVICE CORP LTD	52,900	-	52,900	-
YONGHUI SUPERSTORES CO LTD	-	22,500	22,500	-