

BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND
(A sub-fund of BOCOM International Fund)

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

BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND

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Contents

| | Pages |
|---|-------|
| Management and Administration | 1 |
| Report of the Manager to the Unitholders | 2 |
| Statement of Financial Position (Unaudited) | 3 |
| Investment Portfolio (Unaudited) | 4 |
| Statement of Movement in Portfolio Holdings (Unaudited) | 5 |

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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

Sub-custodian

Citibank, N.A.
10/F, Two Harbour Front,
22 Tak Fung Street,
Hunghom, Kowloon,
Hong Kong

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

Market Review

The global equity markets declined in the first two months of the year, but then saw steady climb to higher index levels in the next four months. The Hang Seng Index hit recent high of 21,622 in April, while the H-share Index hit recent high in January reaching 9311, and both indices saw price decrease of 5.1% and 9.8% in the first half of 2016 respectively. The main drivers of this Hang Seng index recession were the consumer staples, industrial and health care sectors.

Outlook

The Hong Kong equity market is expected to see more challenging times over the near-term, given the higher likelihood of the US FED raising the benchmark interest rate in the second half of this year, and the rising volatilities of the capital markets locally and in the region. We remain cautious but optimistic over longer investment horizon as the valuations of the Hong Kong equity market have reached attractive levels either on a relative basis compared to other stock markets or historically compared to previous market cycles.

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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2016

| | 30 Jun 2016 HKD | 31 Dec 2015 HKD |
|---|--------------------------------|--------------------------------|
| Assets | | |
| Financial assets at fair value through profit or loss | 163,384,680 | 205,584,815 |
| Amounts due from brokers | - | 796,362 |
| Dividend receivable | 1,126,172 | 149,760 |
| Interest receivable | 131,379 | 211,913 |
| Cash and cash equivalents | 32,158,950 | 50,698,043 |
| Total assets | 196,801,181 | 257,440,893 |
| Liabilities | | |
| Amounts due to brokers | - | 711,625 |
| Trustee fee payable | 53,228 | 70,514 |
| Management fee payable | 237,980 | 322,841 |
| Redemption payable | - | 41,647,350 |
| Accrued expenses and other payables | 160,336 | 258,403 |
| Total liabilities | 451,544 | 43,010,733 |
| Equity | | |
| Net assets attributable to unitholders | 196,349,637 | 214,430,160 |
| Represented by: | | |
| Accounting NAV as reported in the statement of financial position | 196,349,637 | 214,430,160 |
| Adjustment for amortization of establishment costs | 1,116 | 8,221 |
| Adjustment for valuing the investment at latest bid price | - | 838,170 |
| Dealing NAV | 196,350,753 | 215,276,551 |
| Number of units outstanding | 27,567,553.029 | 27,567,553.029 |
| Net asset value per unit | 7.122 | 7.809 |

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**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2016**

| | Holdings | Fair Value HKD | % of Net Asset |
|--|------------|-------------------|-------------------|
| Investments (83.23%) | | | |
| Debt securities (7.53%) | | | |
| Listed in Hong Kong | | | |
| IBOND SERIES HKD RETAIL BONDS DUE 2017 | 1,900,000 | 1,940,850 | 0.99% |
| IBOND SERIES HKD RETAIL BONDS DUE 2018 | 12,450,000 | 12,835,950 | 6.54% |
| | | 14,776,800 | 7.53% |
| Equity securities (75.70%) | | | |
| Listed in Hong Kong | | | |
| CLP HOLDINGS LTD | 150,000 | 11,850,000 | 6.04% |
| HONG KONG & CHINA GAS CO LTD | 737,000 | 10,406,440 | 5.30% |
| TENCENT HOLDINGS LTD | 72,700 | 12,817,010 | 6.53% |
| CHINA CONSTRUCTION BANK CORP | 400,000 | 2,048,000 | 1.04% |
| CHINA SHENHUA ENERGY CO LTD | 300,000 | 4,272,000 | 2.18% |
| AIA GROUP LTD | 90,000 | 4,162,500 | 2.12% |
| GUANGDONG INVESTMENT LTD | 1,560,000 | 18,408,000 | 9.38% |
| CHINA LONGYUAN POWER GROUP CORP LTD | 1,134,000 | 7,246,260 | 3.69% |
| CSPC PHARMACEUTICAL GROUP LTD | 530,000 | 3,641,100 | 1.85% |
| YANZHOU COAL MINING CO LTD | 616,000 | 3,067,680 | 1.56% |
| SINO BIOPHARMACEUTICAL LTD | 1,290,000 | 6,488,700 | 3.30% |
| GREAT WALL MOTOR CO LTD | 750,000 | 4,800,000 | 2.44% |
| AVICHINA INDUSTRY & TECHNOLOGY CO LTD | 1,590,000 | 8,522,400 | 4.34% |
| CGN POWER CO LTD | 1,170,000 | 2,503,800 | 1.28% |
| CHINA ANIMAL HEALTHCARE LTD | 270,000 | 567,000 | 0.29% |
| 3SBIO INC | 762,500 | 6,039,000 | 3.08% |
| TONG REN TANG TECHNOLOGIES CO LTD | 824,000 | 10,547,200 | 5.37% |
| BAIC MOTOR CORP LTD | 195,500 | 1,063,520 | 0.54% |
| IMAX CHINA HOLDING INC | 102,300 | 3,897,630 | 1.99% |
| SHANGHAI JIN JIANG INTERNATIONAL HOTELS GROUP CO LTD | 5,788,000 | 14,643,640 | 7.46% |
| LINK REIT | 220,000 | 11,616,000 | 5.92% |
| | | 148,607,880 | 75.70% |
| Total investments | | 163,384,680 | 83.23% |
| Other net assets | | 32,964,957 | 16.77% |
| Total net assets as at 30 June 2016 (after amortization of establishment costs) | | 196,349,637 | 100.00% |
| Total investments at cost | | 167,020,231 | |

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

| Investments | 31 December | Holdings | | 30 June |
|--|-------------|-----------|-------------|------------|
| | 2015 | Additions | Disposals | 2016 |
| CLP HOLDINGS LTD | - | 150,000 | - | 150,000 |
| HONG KONG & CHINA GAS CO LTD | - | 737,000 | - | 737,000 |
| HSBC HOLDINGS PLC | 102,000 | 124,800 | (226,800) | - |
| NEW WORLD DEVELOPMENT CO LTD | - | 113,000 | (113,000) | - |
| GUANGDONG INVESTMENT LTD | 1,160,000 | 400,000 | - | 1,560,000 |
| CHINASOFT INTERNATIONAL LTD | 2,270,000 | - | (2,270,000) | - |
| HONG KONG EXCHANGES AND CLEARING LTD | 90,000 | - | (90,000) | - |
| CAR INC | 980,000 | - | (980,000) | - |
| TENCENT HOLDINGS LTD | - | 97,700 | (25,000) | 72,700 |
| SKYWORTH DIGITAL HOLDINGS LTD | 1,560,000 | - | (1,560,000) | - |
| LINK REIT | - | 220,000 | - | 220,000 |
| CHINA LONGYUAN POWER GROUP CORP LTD | 2,225,000 | - | (1,091,000) | 1,134,000 |
| CHINA CONSTRUCTION BANK CORP | - | 400,000 | - | 400,000 |
| CHINA ANIMAL HEALTHCARE LTD | 270,000 | - | - | 270,000 |
| CHINA MOBILE LTD | 226,000 | - | (226,000) | - |
| SOUND GLOBAL LTD | 200,000 | - | (200,000) | - |
| CHEUNG KONG INFRASTRUCTURE HOLDINGS LTD | - | 133,000 | (133,000) | - |
| CHINA SHENHUA ENERGY CO LTD | - | 300,000 | - | 300,000 |
| CSPC PHARMACEUTICAL GROUP LTD | - | 830,000 | (300,000) | 530,000 |
| YANZHOU COAL MINING CO LTD | - | 1,232,000 | (616,000) | 616,000 |
| SINO BIOPHARMACEUTICAL LTD | 2,300,000 | - | (1,010,000) | 1,290,000 |
| AIA GROUP LTD | 170,000 | - | (80,000) | 90,000 |
| 3SBIO INC | 366,500 | 647,500 | (251,500) | 762,500 |
| TONG REN TANG TECHNOLOGIES CO LTD | 824,000 | - | - | 824,000 |
| CGN POWER CO LTD | 4,580,000 | - | (3,410,000) | 1,170,000 |
| BAIC MOTOR CORP LTD | - | 918,500 | (723,000) | 195,500 |
| IMAX CHINA HOLDING INC | - | 102,300 | - | 102,300 |
| SHANGHAI JIN JIANG INTERNATIONAL HOTELS GROUP CO LTD | 4,560,000 | 1,380,000 | (152,000) | 5,788,000 |
| COSMO LADY CHINA HOLDINGS CO LTD | 500,000 | - | (500,000) | - |
| GREAT WALL MOTOR CO LTD | 1,300,000 | 530,000 | (1,090,000) | 750,000 |
| AVICHINA INDUSTRY & TECHNOLOGY CO LTD | 1,590,000 | - | - | 1,590,000 |
| IBOND SERIES HKD RETAIL BONDS DUE 2017 | 1,900,000 | - | - | 1,900,000 |
| IBOND SERIES HKD RETAIL BONDS DUE 2018 | 12,450,000 | - | - | 12,450,000 |