

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

SEMI-ANNUAL REPORT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2017

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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

Trustee and Registrar

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

Directors of the Manager

TAN Yueheng
CHENG Chuange

Sub-custodian

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

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REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

The Hong Kong stock market was the best performer among the world's major stock markets in the first half of year 2017. The Hang Seng index closed at 25,764.58 points by the end of June, representing a 17.11% YTD. We believe that solid China economy, strong company earnings, extra liquidity provided by the Shanghai Hong Kong and Shenzhen Hong Kong stock connect, and relatively low valuation of the market are the major contributors to the market rebound. Within the Hong Kong stock market, materials, financials, consumer discretionary and technology and financial sectors were the better performers while consumer staples and energy sectors lagged.

Portfolio Review

The fund price recorded at 8.34 by the half year end, rising 21.95% from year end of 2016, outperforming the Hang Seng index by nearly 5%. At the beginning of the year, we changed fund positions by adding more exposure to materials, financial, consumer discretionary and technology sectors and trimming exposure to energy and consumer staples sectors. During the course of the first six months, we carried on our strategy which set at the very beginning of the year to invest stocks in materials, consumer discretionary and technology sectors. Our strategy was proven correct to beat the market. Our overweight allocation to technology and consumer discretionary stocks became the main performance driver in the first half of year 2017.

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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2017

	30 Jun 2017 HKD	31 Dec 2016 HKD
Assets		
Financial assets at fair value through profit or loss	200,791,040	178,242,770
Amounts due from brokers	14,731,223	-
Dividend receivable	2,247,060	-
Cash and cash equivalents	5,931,668	9,393,990
Total assets	223,700,991	187,636,760
Liabilities		
Trustee fee payable	60,629	53,809
Management fee payable	274,380	240,318
Redemption payable	-	67,810
Accrued expenses and other payables	167,032	259,306
Total liabilities	502,041	621,243
Net assets attributable to unitholders	223,198,950	187,015,517
Number of units outstanding	26,762,412.800	27,345,910.672
Net asset value per unit (Calculated in accordance with the Sub Fund's explanatory memorandum)	8.340	6.838

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 JUNE 2017

Investments (89.96%)	Holdings	Fair Value HKD	% of Net Asset
Equity securities (89.96%)			
Listed in Hong Kong			
HSBC HOLDINGS PLC	200,000	14,530,000	6.51%
HANG SENG BANK LTD	25,000	4,080,000	1.83%
HENDERSON LAND DEVELOPMENT CO LTD	110,000	4,790,500	2.15%
SUN HUNG KAI PROPERTIES LTD	60,000	6,876,000	3.08%
HONG KONG EXCHANGES & CLEARING LTD	20,000	4,036,000	1.81%
TENCENT HOLDINGS LTD	60,000	16,752,000	7.51%
CHINA UNICOM HONG KONG LTD	552,000	6,392,160	2.86%
CHINA SHENHUA ENERGY CO LTD	400,000	6,952,000	3.12%
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD	1,638,000	8,615,880	3.86%
KINGDEE INTERNATIONAL SOFTWARE GROUP CO LTD	3,000,000	9,720,000	4.36%
GUANGDONG INVESTMENT LTD	600,000	6,456,000	2.89%
BYD ELECTRONIC INTERNATIONAL CO LTD	200,000	3,096,000	1.39%
BEIJING ENTERPRISES WATER GROUP LTD	1,400,000	8,470,000	3.80%
ZTE CORP	500,000	9,320,000	4.17%
CHINA SOUTHERN AIRLINES CO LTD	1,300,000	8,554,000	3.83%
CSPC PHARMACEUTICAL GROUP LTD	530,000	6,020,800	2.70%
AGRICULTURAL BANK OF CHINA LTD	2,000,000	7,360,000	3.30%
CHINA RESOURCES CEMENT HOLDINGS LTD	1,000,000	3,870,000	1.73%
CHINA COMMUNICATIONS CONSTRUCTION CO LTD	400,000	4,016,000	1.80%
ZHAOJIN MINING INDUSTRY CO LTD	400,000	2,548,000	1.14%
BBMG CORP	800,000	3,152,000	1.41%
ANTA SPORTS PRODUCTS LTD	100,000	2,550,000	1.14%
GUANGZHOU AUTOMOBILE GROUP CO LTD	400,000	5,456,000	2.44%
GREAT WALL MOTOR CO LTD	550,000	5,296,500	2.37%
CHINA NATIONAL BUILDING MATERIAL CO LTD	700,000	3,248,000	1.45%
ZHUZHOU CRRC TIMES ELECTRIC CO LTD	200,000	7,640,000	3.42%
SHENZHEN INTERNATIONAL HOLDINGS LTD	580,000	8,259,200	3.70%
CHINA ANIMAL HEALTHCARE LTD	270,000	-	0.00%
TONG REN TANG TECHNOLOGIES CO LTD	745,000	8,940,000	4.01%
SHANGHAI JIN JIANG INTERNATIONAL HOTELS GROUP CO LTD	4,700,000	11,374,000	5.10%
YUEXIU REAL ESTATE INVESTMENT TRUST	500,000	2,420,000	1.08%
		<u>200,791,040</u>	<u>89.96%</u>
Total investments		<u>200,791,040</u>	<u>89.96%</u>
Other net assets		<u>22,407,910</u>	<u>10.04%</u>
Total net assets as at 30 June 2017		<u><u>223,198,950</u></u>	<u><u>100.00%</u></u>
Total investments at cost		<u>186,007,941</u>	

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2017**

Investments	31 December	Holdings		30 June
	2016	Additions	Disposals	2017
CLP HOLDINGS LTD	150,000	-	(150,000)	-
HSBC HOLDINGS PLC	130,000	230,000	(160,000)	200,000
HANG SENG BANK LTD	-	25,000	-	25,000
HENDERSON LAND DEVELOPMENT CO LTD	-	110,000	-	110,000
SUN HUNG KAI PROPERTIES LTD	88,000	20,000	(48,000)	60,000
SHENZHEN INTERNATIONAL HOLDINGS LTD	-	580,000	-	580,000
GEELY AUTOMOBILE HOLDINGS LTD	885,000	400,000	(1,285,000)	-
KINGDEE INTERNATIONAL SOFTWARE GROUP CO LTD	-	3,000,000	-	3,000,000
GUANGDONG INVESTMENT LTD	880,000	420,000	(700,000)	600,000
BYD ELECTRONIC INTERNATIONAL CO LTD	1,920,000	350,000	(2,070,000)	200,000
JIANGXI COPPER CO LTD	505,000	-	(505,000)	-
SHANGHAI INDUSTRIAL HOLDINGS LTD	-	140,000	(140,000)	-
BEIJING ENTERPRISES WATER GROUP LTD	-	2,600,000	(1,200,000)	1,400,000
HONG KONG EXCHANGES & CLEARING LTD	60,000	-	(40,000)	20,000
YUEXIU REAL ESTATE INVESTMENT TRUST	-	1,000,000	(500,000)	500,000
HAITONG INTERNATIONAL SECURITIES GROUP LTD	-	1,300,000	(1,300,000)	-
TENCENT HOLDINGS LTD	72,700	35,000	(47,700)	60,000
CHINA UNICOM HONG KONG LTD	-	1,500,000	(948,000)	552,000
ZTE CORP	500,000	-	-	500,000
IGG INC	-	200,000	(200,000)	-
LINK REIT	118,000	-	(118,000)	-
CNOOC LTD	-	910,000	(910,000)	-
ANHUI CONCH CEMENT CO LTD	400,000	54,000	(454,000)	-
CHINA CONSTRUCTION BANK CORP	1,800,000	2,300,000	(4,100,000)	-
CHINA ANIMAL HEALTHCARE LTD	270,000	-	-	270,000
CHINA SOUTHERN AIRLINES CO LTD	-	1,700,000	(400,000)	1,300,000
CHINA SHENHUA ENERGY CO LTD	400,000	-	-	400,000
CSPC PHARMACEUTICAL GROUP LTD	530,000	-	-	530,000
SINO BIOPHARMACEUTICAL LTD	1,290,000	-	(1,290,000)	-
CHINA RAILWAY CONSTRUCTION CORP LTD	-	460,000	(460,000)	-
AGRICULTURAL BANK OF CHINA LTD	-	2,000,000	-	2,000,000
CHINA RESOURCES CEMENT HOLDINGS LTD	-	5,400,000	(4,400,000)	1,000,000
NEW CHINA LIFE INSURANCE CO LTD	-	130,000	(130,000)	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA LTD	-	2,600,000	(962,000)	1,638,000
YUZHOU PROPERTIES CO LTD	-	600,000	(600,000)	-

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2017 (Cont')**

Investments	31 December 2016	Holdings		30 June 2017
		Additions	Disposals	
TONG REN TANG TECHNOLOGIES CO LTD	601,000	345,000	(201,000)	745,000
GF SECURITIES CO LTD	340,000	-	(340,000)	-
CHINA COMMUNICATIONS CONSTRUCTION CO LTD	-	1,000,000	(600,000)	400,000
ZHAOJIN MINING INDUSTRY CO LTD	-	400,000	-	400,000
SUNAC CHINA HOLDINGS LTD	-	700,000	(700,000)	-
SANDS CHINA LTD	-	150,000	(150,000)	-
IMAX CHINA HOLDING INC	100	-	(100)	-
SHANGHAI JIN JIANG INTERNATIONAL HOTELS GROUP CO LTD	5,788,000	-	(1,088,000)	4,700,000
COUNTRY GARDEN HOLDINGS CO LTD	-	700,000	(700,000)	-
BBMG CORP	-	1,340,000	(540,000)	800,000
AAC TECHNOLOGIES HOLDINGS INC	-	70,000	(70,000)	-
ANTA SPORTS PRODUCTS LTD	-	400,000	(300,000)	100,000
SHANGHAI FOSUN PHARMACEUTICAL GROUP CO LTD	-	400,000	(400,000)	-
XINJIANG GOLDWIND SCIENCE & TECHNOLOGY CO LTD	330,000	-	(330,000)	-
GUANGZHOU AUTOMOBILE GROUP CO LTD	620,000	320,000	(540,000)	400,000
GREAT WALL MOTOR CO LTD	-	780,000	(230,000)	550,000
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	-	230,000	(230,000)	-
CHINA PACIFIC INSURANCE GROUP CO LTD	-	240,000	(240,000)	-
CHINA LIFE INSURANCE CO LTD	-	550,000	(550,000)	-
CHINA NATIONAL BUILDING MATERIAL CO LTD	2,100,000	1,600,000	(3,000,000)	700,000
SINOTRUK HONG KONG LTD	-	80,000	(80,000)	-
ZHUZHOU CRRC TIMES ELECTRIC CO LTD	-	200,000	-	200,000
HAITONG SECURITIES CO LTD	-	450,000	(450,000)	-