

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

**SEMI-ANNUAL REPORT (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

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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**

MENG Yu  
CHENG Chuange  
SU Fen

**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

## **BOCOM INTERNATIONAL CHINA DYNAMIC FUND**

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### **REPORT OF THE MANAGER TO THE UNITHOLDERS**

#### **Market Review**

The CSI 300 Index rose 1.01 per cent during the first half of 2021, while ChiNext Index performed very outstanding which went up 17.55 per cent. Affected by the unexpected soaring of U.S. 10-year treasury yield, the global stock market, as well as the A-share market, plummeted since February 2021. Although the recurrences of Convid-19 in other countries, China was properly controlled. Additionally, the central bank maintained a stable and neutral monetary and financial policies at this stage, which strengthened market confidence. Correspondingly, CSI 300 index rebounded. Generally speaking, among CSI, energy, material and healthcare sector performed outstandingly during the first half of 2021, the return recorded 15.20 per cent, 12.07 per cent and 9.81 per cent respectively – COSCO Shipping Holdings, which stock price was very impressive, was 150.12 per cent return and Bloomage Biotechnology followed, which gained 89.76 per cent. Oppositely, China Fortune Land Development, Chengdu Kanghong Pharmaceu and Zhenjiang Dingli Machinery ranked the last three performing index member.

#### **Portfolio Review**

For the first half year ended 30 June 2021, the fund's Class R and Class I's return was 3.90 per cent and 4.06 per cent respectively, which outperformed the CSI 300 index. Given the credit of accurate strategy, we prefer to hold those "white-horse" stocks, which have solid fundamentals in their related industries. Looking forward to the second half of 2021, we prefer to industries in line with national policy orientation such as Semiconductor, new energy vehicle and etc.

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**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 30 JUNE 2021**

	<b>30 Jun</b>	<b>31 Dec</b>
	<b>2021</b>	<b>2020</b>
	<b>RMB</b>	<b>RMB</b>
<b>Non-Current Assets</b>		
Deposit reserve	22,880	224,000
<b>Current Assets</b>		
Financial assets at fair value through profit or loss	50,180,365	49,345,410
Interest receivable	22,638	18,676
Due from brokers	158,484	-
Prepayment	3,765	30,000
Cash and cash equivalents	3,358,974	1,703,498
<b>Total assets</b>	<b>53,747,106</b>	<b>51,321,584</b>
<b>Liabilities</b>		
Management fee payable	53,252	51,038
Trustee fee payable	61,151	63,016
Sub-custodian fee payable	4,241	4,052
Due to brokers	43,969	-
Accrued expenses and other payables	727,516	388,256
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	<b>890,129</b>	<b>506,362</b>
Net assets attributable to unitholders	<b>52,856,977</b>	<b>50,815,222</b>

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**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Note	<b>For the six months ended 30 Jun 2021 RMB</b>	<b>For the six months ended 30 Jun 2020 RMB</b>
<b>Income</b>			
Interest income		4,708	5,326
Interest from financial assets at fair value through profit or loss		52,184	35,504
Dividend income		312,013	263,023
Net gains on financial assets at fair value through profit or loss		2,630,991	7,537,458
Net foreign currency gains/(losses)		1,078	223
Other income		93,871	-
<b>Total income</b>		3,094,845	7,841,534
<b>Expenses</b>			
Management fee	2(a)	308,067	234,081
Trustee fee	2(b)	368,943	369,968
Sub-custodian fee		23,768	17,399
Audit fee		85,423	143,525
Transaction costs		10,666	59,702
Bank charges		1,527	3,913
Other operating expenses		14,618	177,925
<b>Total operating expenses</b>		813,012	1,006,513
<b>Profit before tax</b>		2,281,833	6,835,021
Taxation		(31,643)	(29,112)
<b>Increase in net assets attributable to unitholders from operations</b>		2,250,190	6,805,909

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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

	Class R			Class I			Total
	Number of units	Net assets attributable to unitholders RMB	Net asset value per unit RMB	Number of units	Net assets attributable to unitholders RMB	Net asset value per unit RMB	Net assets attributable to unitholders RMB
<b>As at 1 January 2020</b>	739,410.492	9,324,945	12.611	2,100,000.00	26,913,749	12.816	36,238,694
Issuance of units	23,576.948	351,485		-	-		351,485
Redemption of units	(97,503.541)	(1,311,632)		-	-		(1,311,632)
Total comprehensive profit		1,627,667			5,178,242		6,805,909
<b>As at 30 June 2020</b>	<u>665,483.899</u>	<u>9,992,465</u>	15.015	<u>2,100,000.00</u>	<u>32,091,991</u>	15.281	<u>42,084,456</u>
<b>As at 1 January 2021</b>	463,898.056	9,051,234	19.511	2,100,000.00	41,763,988	19.887	50,815,222
Issuance of units	183,637.459	3,399,694		-	-		3,399,694
Redemption of units	(176,935.441)	(3,608,129)		-	-		(3,608,129)
Total comprehensive profit		672,003			1,578,187		2,250,190
<b>As at 30 June 2021</b>	<u>470,600.074</u>	<u>9,514,802</u>	20.218	<u>2,100,000.00</u>	<u>43,342,175</u>	20.639	<u>52,856,977</u>

**BOCOM INTERNATIONAL CHINA DYNAMIC FUND**

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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**1. Basis of preparation and accounting policies**

The unaudited interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2020, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The accounting policies and methods of computation applied are consistent with those of the annual financial statements for the year ended 31 December 2020. Other amendments to HKFRS effective for the financial year ended 31 December 2021 are not expected to have a material impact on the fund.

**2. Transactions with the Trustee and its affiliates and the Manager and its connected persons**

Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the period between the fund and the Trustee and its affiliates and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms.

**(a) Management fee**

The Manager is entitled to receive a management fee calculated and accrued on each dealing day and payable monthly in arrears. The Manager currently charges a rate of 1.5% per annum for Class R and 1.2% per annum for Class I.

The management fee charged for the six months ended 30 June 2021 was RMB308,067 (2020: RMB234,081), of which RMB53,252 (2020: RMB44,525) was outstanding at 30 June 2021.

**(b) Trustee fee**

The Trustee is entitled to receive a trustee fee of up to 1% per annum of the net asset value of the fund. Currently, the Trustee is entitled to receive a fee of 0.11% per annum of the net asset value of each class of the fund, subject to a monthly minimum fee of RMB62,000 for the sub-fund(2020: RMB62,000 for the sub-fund) for each class of units. The fee is calculated and accrued daily and payable monthly in arrears.

The trustee fee charged for the six months ended 30 June 2021 was RMB368,943 (2020: RMB369,968), of which RMB61,151 (2020: RMB65,050) was outstanding at 30 June 2021.

**(c) Cash and Cash equivalents and investments**

Cash and cash equivalents of RMB3,358,974 (2020: RMB931,394) and deposit reserve of RMB22,880 (2020: RMB224,000) are held with related parties of the Trustee and the Manager. During the period for the six months ended 30 June 2021, the fund recognised interest income of RMB4,708 (2020: RMB5,326) and bank charges of RMB1,527 (2020: RMB3,913) from the cash and cash equivalents and deposit reserve held with related parties of the Trustee and the Manager.

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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**Transactions with the Trustee and its affiliates and the Manager and its connected persons (Continued)**

**(d) Transactions with Manager's parent company**

As at 30 June 2021, BOCOM International Holdings Company Limited, the holding company of the Manager, held 2,000,000 (2020: 2,000,000) Class I units in the fund.

**(e) Transaction with the related parties of the Manager**

During the period for six months ended 30 June 2021, the fund recognized a sub-custodian fee of RMB23,768 (2020: RMB17,399) charged by the related parties of the Trustee and the Manager.

**3. Soft Dollar arrangements**

The manager confirms that there was no soft dollar arrangement relating to directing transactions of the fund through a broker or dealer during the six months ended 30 June 2021.

**4. Borrowings**

The fund did not make any borrowings during the six months ended 30 June 2021

**5. Contingent liabilities and commitments**

The fund did not have any contingent liabilities and commitments during the six months ended 30 June 2021.

**6. Establishment costs**

Establishment costs are recognized as an expense in the period in which they are incurred.

**7. Distribution to unitholders**

The fund did not make any distribution during the six months ended 30 June 2021

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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

**8. Details on units/shares**

	30 Jun 2021 RMB	31 Dec 2020 RMB
<b>Net assets per class</b>		
Class I	43,342,175	41,763,988
Class R	9,514,802	9,051,234
<b>Number of units outstanding</b>		
Class I	2,100,000.000	2,100,000.000
Class R	470,600.074	463,898.056
<b>Net asset value per unit</b>		
Class I	20.639	19.887
Class R	20.218	19.511

**9. Transaction Costs**

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognized in the statement of comprehensive income as an expense.

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**INVESTMENT PORTFOLIO (UNAUDITED)**

**AS AT 30 JUNE 2021**

<b>Investments (94.94%)</b>	<b>Holdings</b>	<b>Fair Value RMB</b>	<b>% of Net Asset</b>
<b>Debt securities (6.21%)</b>			
<b>Listed in China</b>			
China Government Bond 3.4% 4/17/2023	3,200,000	3,245,120	6.14%
Luxshare Precision Industry Co Ltd 0.1% 11/3/2026	30,000	35,080	0.07%
		3,280,200	6.21%
<b>Equity securities (88.73%)</b>			
<b>Listed in China</b>			
Midea Group Co Ltd	34,000	2,426,580	4.59%
China Minmetals Rare Earth Co Ltd	33,000	636,900	1.20%
Zhejiang Sanhua Intelligent Controls Co Ltd	140,400	3,366,792	6.37%
Luxshare Precision Industry Co Ltd	69,997	3,219,862	6.09%
Huizhou Desay Sv Automotive Co Ltd	7,500	825,600	1.56%
Aier Eye Hospital Group Co Ltd	12,965	920,256	1.74%
East Money Information Co Ltd	90,000	2,951,100	5.58%
Chongqing Zhifei Biological Products Co Ltd	8,300	1,549,859	2.93%
Sungrow Power Supply Co Ltd	13,000	1,495,780	2.83%
Jafron Biomedical Co Ltd	25,000	2,159,000	4.08%
Contemporary Amperex Technology Co Ltd	9,700	5,187,560	9.81%
Shenzhen Mindray Bio-Medical Electronics Co Ltd	4,600	2,208,230	4.18%
SAIC Motor Corp Ltd	40,000	878,800	1.66%
Wanhua Chemical Group Co Ltd	34,000	3,699,880	7.00%
Kweichow Moutai Co Ltd	2,000	4,113,400	7.78%
Anhui Conch Cement Co Ltd	32,500	1,334,125	2.52%
Shanxi Xinghuacun Fen Wine Factory Co Ltd	10,000	4,480,000	8.48%
WuXi AppTec Co Ltd	13,800	2,160,942	4.09%
Foshan Haitian Flavouring & Food Co Ltd	7,800	1,005,810	1.90%
Advanced Micro-Fabrication Equipment Inc China	8,000	1,327,360	2.51%
Farasis Energy Gan Zhou Co Ltd	27,789	952,329	1.80%
		46,900,165	88.73%
<b>Total investments</b>		50,180,365	94.94%
<b>Other net assets</b>		2,676,612	5.06%
<b>Total net assets as at 30 June 2021</b>		52,856,977	100.00%
<b>Total investments at cost</b>		30,040,360	

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2021**

<b>Investments</b>	<b>31 December</b>	<b>Holdings</b>		<b>30 June</b>
	<b>2020</b>	<b>Additions</b>	<b>Disposals</b>	<b>2021</b>
Midea Group Co Ltd	34,000			34,000
China Minmetals Rare Earth Co Ltd		33,000		33,000
Zhejiang Sanhua Intelligent Controls Co Ltd	140,400			140,400
Luxshare Precision Industry Co Ltd	69,997			69,997
Huizhou Desay Sv Automotive Co Ltd		7,500		7,500
Avary Holding Shenzhen Co Ltd	15,000	6,000	21,000	
Aier Eye Hospital Group Co Ltd		12,965		12,965
East Money Information Co Ltd	75,000	15,000		90,000
Chongqing Zhifei Biological Products Co Ltd		8,300		8,300
Sungrow Power Supply Co Ltd		13,000		13,000
Jafron Biomedical Co Ltd	25,000			25,000
Contemporary Amperex Technology Co Ltd	12,000		2,300	9,700
Shenzhen Mindray Bio-Medical Electronics Co Ltd	4,600			4,600
CITIC Securities Co Ltd	13,000		13,000	
SAIC Motor Corp Ltd		40,000		40,000
Jiangsu Hengrui Medicine Co Ltd	38,400		38,400	
Wanhua Chemical Group Co Ltd	48,000		14,000	34,000
Kweichow Moutai Co Ltd	2,300		300	2,000
Anhui Conch Cement Co Ltd	32,500			32,500
Shanxi Xinghuacun Fen Wine Factory Co Ltd	11,000		1,000	10,000
Ping An Insurance Group Co of China Ltd	18,100		18,100	
WuXi AppTec Co Ltd	11,500	2,300		13,800
Foshan Haitian Flavouring & Food Co Ltd	6,000	1,800		7,800
Advanced Micro-Fabrication Equipment Inc China		8,000		8,000
Farasis Energy Gan Zhou Co Ltd	27,789			27,789
China Government Bond 3.4% 4/17/2023	2,600,000	600,000		3,200,000
Luxshare Precision Industry Co Ltd 0.1% 11/3/2026		30,000		30,000