

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

**SEMI-ANNUAL REPORT (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**BOCOM INTERNATIONAL CHINA DYNAMIC FUND**  
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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**

LI Wu  
XI Xuanhua

**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**

KPMG  
8/F, Prince's Building  
10 Chater Road  
Central  
Hong Kong

## **BOCOM INTERNATIONAL CHINA DYNAMIC FUND**

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

#### **Market Review**

China A-shares saw modest gains in the first half of 2023. The CSI 300 Total Return Index climbed by about 0.46% and moved within a narrow range. After a brief rally in January, the index began trending lower. Technology stocks benefited from generative AI. High-dividend stocks, especially the Chinese SOEs, continued to attract market attention, driving the strength of telecom operators and energy. Among the ten CSI 300 sector indices, telecoms, information technology and energy were the best performers, with gains of 38.11%, 17.55%, and 15.27% respectively in the first half of the year, while real estate, health care and consumer were the biggest laggards, with losses of 16.36%, 10.76%, and 7.85% respectively.

#### **Portfolio Review**

As of 30 Jun 2023, total return of the fund's Class R and Class I was 10.63% and 10.80% respectively. We expect economic recovery this year in China and prefer to hold more positions on certain topics that coincide with the policies.

**BOCOM INTERNATIONAL CHINA DYNAMIC FUND**  
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**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS AT 30 JUNE 2023**

	<b>30 Jun</b>	<b>31 Dec</b>
	<b>2023</b>	<b>2022</b>
	<b>RMB</b>	<b>RMB</b>
<b>Assets</b>		
Deposit reserve	18,789	19,484
Financial assets at fair value through profit or loss	34,123,917	33,742,832
Interest receivable	50,705	22,781
Amount due from brokers	3,890,757	-
Cash and cash equivalents	804,706	1,038,793
<b>Total assets</b>	38,888,874	34,823,890
<b>Liabilities</b>		
Management fee payable	38,111	74,478
Trustee fee payable	30,575	124,340
Sub-custodian fee payable	3,038	2,994
Amount due to brokers	433,044	-
Accrued expenses and other payables	450,793	348,110
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	955,561	549,922
Net assets attributable to unitholders	37,933,313	34,273,968

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**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	Note	<b>For the six months ended 30 Jun 2023 RMB</b>	<b>For the six months ended 30 Jun 2022 RMB</b>
<b>Income</b>			
Interest income on bank deposits		6,063	6,060
Interest income on debt securities		45,350	53,983
Dividend income		439,141	466,190
Net gains/(losses) on financial assets at fair value through profit or loss		4,141,761	(7,471,260)
		4,632,315	(6,945,027)
		4,632,315	(6,945,027)
<b>Expenses</b>			
Management fee	2(a)	(230,148)	(254,207)
Trustee fee	2(b)	(221,162)	(368,943)
Sub-custodian fee		(8,538)	(18,486)
Audit fee		(102,682)	(85,423)
Transaction costs	8	(254,666)	(24,121)
Bank charges		(2,535)	(966)
Other operating expenses		(79,268)	(123,598)
		(898,999)	(875,744)
		(898,999)	(875,744)
<b>Profit/(Loss) before tax</b>		3,733,316	(7,820,771)
Taxation		(44,526)	(47,212)
		3,688,790	(7,867,983)
<b>Increase/(Decrease) in net assets attributable to unitholders from operations</b>		3,688,790	(7,867,983)

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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

	Class R			Class I			Total
	Number of units in issue	Net assets attributable to unitholders RMB	Net asset value per unit RMB	Number of units in issue	Net assets attributable to unitholders RMB	Net asset value per unit RMB	Net assets attributable to unitholders RMB
<b>As at 1 January 2023</b>	455,006.879	6,223,379	13.677	2,000,000.000	28,050,589	14.025	34,273,968
Proceeds from units issued	-	-		-	-		-
Redemption of units	(1,965.600)	(29,445)		-	-		(29,445)
Total comprehensive income		661,167			3,027,623		3,688,790
<b>As at 30 June 2023</b>	<u>453,041.279</u>	<u>6,855,101</u>	15.131	<u>2,000,000.000</u>	<u>31,078,212</u>	15.539	<u>37,933,313</u>
<b>As at 1 January 2022</b>	505,759.733	9,686,188	19.151	2,100,000.000	41,117,674	19.579	50,803,862
Proceeds from units issued	-	-		-	-		-
Redemption of units	(5,860.290)	(90,606)		(100,000.000)	(1,678,200)		(1,768,806)
Total comprehensive loss		(1,517,782)			(6,350,201)		(7,867,983)
<b>As at 30 June 2022</b>	<u>499,899.443</u>	<u>8,077,800</u>	16.158	<u>2,000,000.000</u>	<u>33,089,273</u>	16.544	<u>41,167,073</u>

## **BOCOM INTERNATIONAL CHINA DYNAMIC FUND**

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### **NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)**

**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

#### **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 2022, 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 2022. Other amendments to HKFRS effective for the financial year ended 31 December 2023 are not expected to have a material impact on the Sub-fund.

The financial statements are prepared for the Sub-Fund only. The financial statements are presented in Renminbi ("RMB"), which is same as the functional currency of the Sub-Fund.

#### **2. Transactions with related parties or 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 2023 was RMB230,148 (30 June 2022: RMB254,207), of which RMB38,111 (31 December 2022: RMB74,478) was outstanding at 30 June 2023.

##### **(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 (2022: RMB62,000 for the sub-fund) is being reduced to RMB31,000 effective from 06 Feb 2023. The fee is calculated and accrued daily and payable monthly in arrears.

The trustee fee charged for the six months ended 30 June 2023 was RMB221,162 (30 June 2022: RMB368,943), of which RMB30,575 (31 December 2022: RMB124,340) was outstanding at 30 June 2023.

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

Cash and cash equivalents of RMB804,706 (31 December 2022: RMB1,038,793) and deposit reserve of RMB18,789 (31 December 2022: RMB19,484) are held with related parties of the Trustee and the Manager. During the period for the six months ended 30 June 2023, the fund recognised interest income of RMB6,063 (30 June 2022: RMB6,060) and bank charges of RMB2,535 (30 June 2022: RMB966) from the cash and cash equivalents and deposit reserve held with related parties of the Trustee and the Manager.



**BOCOM INTERNATIONAL CHINA DYNAMIC FUND**

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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**Transactions with related parties or connected persons (Continued)**

**(d) Holdings of units of the Sub-Fund**

As at 30 June 2023, BOCOM International Holdings Company Limited, the parent company of the Manager, held 2,000,000 (31 December 2022: 2,000,000) Class I units in the Sub-Fund.

**(e) Sub-custodian fee**

During the period for six months ended 30 June 2023, the Sub-Fund recognized a sub-custodian fee of RMB8,538 (30 June 2022: RMB18,486) charged by HSBC Bank (China) Company Limited the connected person of the Trustee and the Manager, of which RMB3,038 (31 December 2022: RMB2,994) was outstanding at 30 June 2023.

**3. Soft Dollar arrangements**

During the period, the Manager and its connected persons did not enter into any soft dollar arrangements with brokers relating to dealing in the assets of the Sub-Fund.

**4. Borrowings**

The Sub-Fund did not make any borrowings during the six months ended 30 June 2023.

**5. Contingent liabilities and commitments**

The Sub-Fund did not have any contingent liabilities and commitments during the six months ended 30 June 2023.

**6. Distribution to unitholders**

The Sub-Fund did not make any distribution during the six months ended 30 June 2023.

**BOCOM INTERNATIONAL CHINA DYNAMIC FUND**

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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

**7. Details on units**

	30 Jun 2023 RMB	31 Dec 2022 RMB
<b>Net assets per class</b>		
Class I	31,078,212	28,050,589
Class R	6,855,101	6,223,379
<b>Number of units outstanding</b>		
Class I	2,000,000.000	2,000,000.000
Class R	453,041.279	455,006.879
<b>Net asset value per unit</b>		
Class I	15.539	14.025
Class R	15.131	13.677

**8. Transaction Costs**

Transaction costs are costs incurred to acquire financial assets 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.

Transaction costs include brokerage and commission fee for the purchases and sales of investments. The transaction costs charged for the six months ended 30 June 2023 amounted to RMB254,666 (30 June 2022 : RMB24,121).

**BOCOM INTERNATIONAL CHINA DYNAMIC FUND**

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**INVESTMENT PORTFOLIO (UNAUDITED)**

**AS AT 30 JUNE 2023**

<b>Investments (89.96%)</b>	<b>Holdings</b>	<b>Fair Value RMB</b>	<b>% of Net Assets</b>
<b>Debt securities (8.52%)</b>			
<b>Listed in China</b>			
China Government Bond 1.99% 09/15/2024	3,200,000	3,199,488	8.43%
Luxshare Precision Co 0.3 11/03/2026	30,000	33,695	0.09%
		3,233,183	8.52%
<b>Equity securities (81.44%)</b>			
<b>Listed in China</b>			
Beijing Sevenstar Elect-A	5,000	1,588,250	4.19%
Btg Hotels Group Co Ltd-A	50,000	947,500	2.50%
China Construction Bank-A	290,000	1,815,400	4.79%
China Shenhua Energy Co - A	65,000	1,998,750	5.27%
CNOOC Ltd-A	100,000	1,812,000	4.78%
Foryou Corp-A	40,000	1,367,600	3.61%
Gigadevice Semiconductor B-A	16,600	1,763,750	4.65%
Great Wallmotor Co Ltd-A	52,000	1,308,840	3.45%
Gree Electric Appliances - A	6,400	233,664	0.62%
Guangshen Rail-A	250,000	990,000	2.61%
Guizhou Aviation Technical - A	15,000	1,049,250	2.77%
Huadian Power Intl Corp - A	170,000	1,137,300	3.00%
Huizhou Desay Sv Automotive - A	5,000	779,050	2.05%
Luxshare Precision Industr-A	50,000	1,622,500	4.28%
Midea Group Co Ltd-A	17,000	1,001,640	2.64%
Ping An Insurance Group Co-A	24,000	1,113,600	2.93%
Shaanxi Coal Industry Co L-A	70,000	1,273,300	3.36%
Shenzhen Dynanonic Co Ltd-A	4,000	440,920	1.16%
Shenzhen Longsys Electroni-A	10,000	1,017,600	2.68%
Shenzhen Mindray Bio-Medic-A	4,600	1,379,080	3.63%
Wanhua Chemical Group Co-A	20,000	1,756,800	4.63%
Wuhan Huazhong Numerical-A	22,000	1,177,440	3.10%
Yutong Bus Co-A	225,000	3,316,500	8.74%
		30,890,734	81.44%
<b>Total investments</b>		34,123,917	89.96%

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**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)**

**AS AT 30 JUNE 2023**

	<b>Fair Value RMB</b>	<b>% of Net Assets</b>
<b>Other net assets</b>	<u>3,809,396</u>	<u>10.04%</u>
<b>Total net assets as at 30 June 2023</b>	<u><u>37,933,313</u></u>	<u><u>100.00%</u></u>
<b>Total investments at cost</b>	<u><u>31,723,911</u></u>	

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

Investments	31 December	Holdings		30 June
	2022	Additions	Disposals	2023
All Winner Technology Co L-A		50,000	50,000	
Anhui Zhongding Sealing Pa-A	90,000		90,000	
Avic Jonhon Optron Tech-A		20,000	26,000	
Beijing Dabeinong Technolo-A		160,000	160,000	
Beijing Enlight Media Company Limited - A		100,000	100,000	
Beijing Kingsoft Office So-A	6,500		6,500	
Beijing Sevenstar Elect-A		5,000		5,000
Beijing Tongtech Co Ltd -A	65,000		65,000	
Bluefocus Intelligent Comm-A		100,000	100,000	
BOE Technology Group Co Ltd-A		400,000	400,000	
BTG Hotels Group Co Ltd-A		50,000		50,000
Cambricon Technologies-A		10,000	10,000	
China Construction Bank-A		290,000		290,000
China Government Bond 1.99% 09/15/2024		3,200,000		3,200,000
China Govt Bond 3.40 04/17/2023	3,200,000		3,200,000	
China Merchants Shekou Indus	70,000		70,000	
China National Software-A	29,930		29,930	
China Shenhua Energy Co - A		65,000		65,000
China Souther Airlines Co-A	104,000		104,000	
China State Construction -A	250,000		250,000	
CNHTC Jinan Truck Co Ltd-A	90,000		90,000	
CNOOC Ltd-A		100,000		100,000
Contemporary Ampere Techn-A		6,000	6,000	
Cosco Shipping Holdings Co-A	60,000		60,000	
East Money Information Co-A		100,000	120,000	
Focus Media Information Te-A	100,000		100,000	
Foryou Corp-A		40,000		40,000
Foshan Haitian Flavouring-A		10,000	12,000	
Foxconn Industrial Interne-A		150,000	150,000	
Ganfeng Lithium Co-A		30,000	30,000	
Gigadevice Semiconductor B-A		16,600		16,600
Great Wallmotor Co Ltd-A		142,000	90,000	52,000
Gree Electric Appliances - A		6,400		6,400
Guangdong Huate Gas Co Ltd-A	10,000		10,000	
Guangshen Rail-A		250,000		250,000
Guangzhou Shiyuan Electron-A		15,000	15,000	
Guizhou Aviation Technical - A		15,000		15,000
Hangzhou Robam Appliances Co Ltd-A	50,000		50,000	
Huadian Power Intl Corp - A		170,000		170,000
Huizhou Desay Sv Automotive - A	4,000	10,000	9,000	5,000
Hundsun Technologies Inc-A	43,000		43,000	
Hygon Information Technolo-A		20,000	20,000	
Inspur Electronic Informat-A		30,000	30,000	
Lucky Harvest Co Ltd-A		25,000	25,000	
Luxshare Precision Co 0.3 11/03/2026	30,000			30,000
Luxshare Precision Industr-A		50,000		50,000
Macmic Science & Technolog-A	30,000		30,000	
Mango Excellent Media Co Ltd-A		45,000	45,000	
Midea Group Co Ltd-A		17,000		17,000
Monitage Technology Co Ltd-A		30,000	30,000	
Offcn Education Technology-A	300,000	150,000	450,000	
Pharmaron Beijing Co Ltd-A	13,000	10,000	23,000	

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**(CONTINUED)**

**FOR THE SIX MONTHS ENDED 30 JUNE 2023**

<b>Investments</b>	<b>31 December</b>	<b>Holdings</b>		<b>30 June</b>
	<b>2022</b>	<b>Additions</b>	<b>Disposals</b>	<b>2023</b>
Ping An Insurance Group Co-A		24,000		24,000
Shaanxi Coal Industry Co L-A		70,000		70,000
Shanghai Anlogic Infotech-A	10,000		10,000	
Shanxi Xinghuacun Fen Wine Factory Co Ltd-A	2,916		2,916	
Shenzhen Dynanonic Co Ltd-A	3,800	10,000	9,800	4,000
Shenzhen Longsys Electroni-A		25,000	15,000	10,000
Shenzhen Mindray Bio-Medic-A	4,600			4,600
Shijiazhuang Yiling Pharma-A		50,000	50,000	
Sichuan Tuopai Shede Wine -A		4,500	4,500	
Sieyuan Electric Co Ltd-A	18,000		18,000	
Suofeiya Home Collection C-A	70,000	80,000	150,000	
Thunder Software Technolog-A		5,000	5,000	
Tianjin Zhonghuan Semicond-A		30,000	30,000	
Tongfu Microelectronic Co - A		119,600	119,600	
Wanda Film Holding Co Ltd-A	50,000		50,000	
Wanhua Chemical Group Co-A	20,000			20,000
Wuhan Huazhong Numerical-A		22,000		22,000
Yunnan Baiyao Group Co Ltd - A	20,000		20,000	
Yutong Bus Co-A		225,000		225,000
Zhejiang Narada Power Sour-A		140,000	140,000	
Zijin Mining Group Co Ltd-A		140,000	140,000	