

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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2019**

**BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**

(A Sub-fund of BOCOM International Fund)

**REPORTS AND FINANCIAL STATEMENTS**

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## **BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**

(A Sub-fund of BOCOM International Fund)

### **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  
LI Ying (Ceased on 6 Nov 2019)  
SU Fen (Appointed on 2 Jan 2019)

#### **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,  
Hungghom, 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

## **BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**

(A sub-fund of BOCOM International Fund)

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

#### Market Review

Hong Kong stock market's total return turned up 13.01 per cent during 2019, which indeed was a volatile year. On January 3rd HSI approached the bottom of whole year and then went up continuously till April due to positive negotiation process of Sino-US trade war. The peak point was on April 9th, however, when US president Donald Trump suddenly announced a breakdown in trade talks. Then HSI started to plummet. Since June of 2019, mass protests and violent conflict occurred in various districts of Hong Kong, which made Hong Kong's consumer retail and tourism sector suffered significantly and HSI was also under pressure. Till the end of 2019, phase one Sino-US trade war deal signed, which spurred Hong Kong stock market rebound. Generally speaking, healthcare, consumer (discretionary /staple) and TMT sector performed outstandingly during the whole year, which the annual return was 36 per cent, 27 percent (discretionary) /25 per cent (staple) and 24 per cent respectively. Top leaders of HIS index are Sino Biopharmaceutical, which recorded 111.24 per cent return and Sunny Optical Tech, which gained 93.82 per cent. Oppositely, Petro China, China Petroleum & Chemical and Sino Land Co, the fourth largest property developer in Hong Kong, ranked the last three of index constituents in term of yearly return.

#### Portfolio Review

For the year ended 31 December 2019, the fund recorded 10.9 per cent annual return, which was 2.11 per cent behind the Hang Seng Index. However, since December of 2019, the portfolio changed strategy which overweighed healthcare and consumer sector and meanwhile reduced the position of financial sector. As a result, the fund obtained 7.5 per cent monthly return, which outperformed Hang Seng Index by 50 basis points and ranked top 2 percentile among peers. Looking forward in 2020, we are much more optimistic than 2019. In addition, we believe that the trend of valuation differentiation and sector diversity will continue, which healthcare, property management and education sector are expected to be favourable. As global growth is still sluggish, we think consumer sector, which is driven by domestic demand, and technology sector, which is benefited from state support such as 5G, would be attractive investment opportunities.

**BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**  
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**REPORT OF THE TRUSTEE TO THE UNITHOLDERS**

**TO THE UNITHOLDERS OF BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND  
(THE "SUB-FUND")**

We hereby confirm that, in our opinion, the Manager of the Sub-Fund has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 27 October 2010 and all its supplemental deeds for the year ended 31 December 2019.

 Candy Lan

For and on behalf of  
Bank of Communications Trustee Limited  
24 April 2020

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**  
(A Sub-fund of BOCOM International Fund)

**Report on the Audit of the Financial Statements**

**Opinion**

*What we have audited*

The financial statements of BOCOM International Dragon Core Growth Fund (the "Sub-Fund"), a sub-fund of BOCOM International Fund, set out on pages 7 to 24, which comprise:

- the statement of financial position as at 31 December 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

*Our opinion*

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2019, and of its financial transactions and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

**Basis for Opinion**

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Independence*

We are independent of the Sub-Fund in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

**Other Information**

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the other information. The other information comprises all of the information included in the annual report other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND  
(CONTINUED)**

(A Sub-fund of BOCOM International Fund)

**Responsibilities of the Management for the Financial Statements**

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management of the Sub-Fund is responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 27 October 2010, as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

As part of an audit in accordance with HKSAAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT  
TO THE UNITHOLDERS OF BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND  
(CONTINUED)**

(A Sub-fund of BOCOM International Fund)

**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Matters under the Relevant Disclosure Provisions of the Trust Deed and Appendix E of the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and Appendix E of the SFC Code.

*PricewaterhouseCoopers*

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 24 April 2020

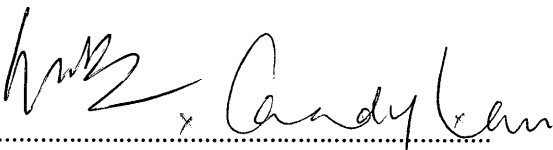


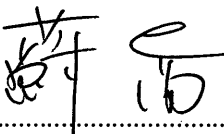
**BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**  
(A Sub-fund of BOCOM International Fund)

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2019**

	Note	2019 HKD	2018 HKD
<b>Assets</b>			
Financial assets at fair value through profit or loss	3(a)	210,291,830	185,030,865
Dividend receivable		30,000	6,738
Due from brokers		240,673	8,606,348
Cash and cash equivalents	3(d)	21,965,528	21,031,903
<b>Total assets</b>		<u>232,528,031</u>	<u>214,675,854</u>
<b>Liabilities</b>			
Management fee payable	7(a)	289,142	264,936
Trustee fee payable	7(b)	63,965	58,932
Due to brokers		5,618,546	9,495,779
Accrued expense and other payables		260,001	231,826
<b>Total liabilities</b>		<u>6,231,654</u>	<u>10,051,473</u>
<b>Equity</b>			
Net assets attributable to unitholders	6	<u>226,296,377</u>	<u>204,624,381</u>

Approved by the Trustee and the Manager on 24 April 2020.

  
.....  
For and on behalf of the Trustee  
Bank of Communications Trustee Limited

  
.....  
For and on behalf of the Manager  
BOCOM International Asset Management Limited

The notes on pages 11 to 24 are an integral part of these financial statements.

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 HKD	2018 HKD
<b>Income</b>			
Interest income		97	407
Dividend income		4,197,712	6,417,662
Net gains/(losses) on financial assets at fair value through profit or loss	5	24,936,928	(38,603,805)
<b>Total income</b>		<u>29,134,737</u>	<u>(32,185,736)</u>
<b>Expenses</b>			
Management fee	7(a)	3,266,358	3,532,850
Trustee fee	7(b)	723,270	776,570
Sub-custodian fee		130,105	178,730
Audit fee		223,565	206,609
Transaction costs		2,200,359	3,504,672
Bank charges		2,430	4,235
Legal and professional fees		4,362	46,672
Other expenses		41,747	66,570
<b>Total operating expenses</b>		<u>6,592,196</u>	<u>8,316,908</u>
<b>Profit/(loss) before tax</b>		22,542,541	(40,502,644)
Withholding taxes	8	(204,778)	(333,350)
<b>Increase/(decrease) in net assets attributable to unitholders from operations</b>		<u>22,337,763</u>	<u>(40,835,994)</u>

The notes on pages 11 to 24 are an integral part of these financial statements.

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

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 HKD	2018 HKD
<b>Net assets attributable to unitholders at the beginning of the year</b>		204,624,381	243,796,888
		-----	-----
Proceeds from units issued		601,202	4,487,805
Redemption of units		(1,266,969)	(2,824,318)
		-----	-----
Net (decrease)/increase from unit transactions		(665,767)	1,663,487
		-----	-----
Increase/(decrease) in net assets attributable to unitholders from operations		22,337,763	(40,835,994)
		=====	=====
<b>Net assets attributable to unitholders at the end of the year</b>	6	<u>226,296,377</u>	<u>204,624,381</u>

The notes on pages 11 to 24 are an integral part of these financial statements.

**BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**  
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**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 HKD	2018 HKD
<b>Cash flows from operating activities</b>		
Increase/(decrease) in net assets attributable to unitholders from operations	22,337,763	(40,835,994)
Adjustment for:		
Dividend income	(4,197,712)	(6,417,662)
Interest income	(97)	(407)
Withholding taxes	204,778	333,350
<b>Operating cash flows before working capital changes</b>	<u>18,344,732</u>	<u>(46,920,713)</u>
<b>Change in operating assets and liabilities</b>		
(Increase)/decrease in financial assets at fair value through profit or loss	(25,260,965)	13,824,060
Decrease/(increase) in due from brokers	8,365,675	(8,606,348)
Increase/(decrease) in management fee payable	24,206	(40,561)
Increase/(decrease) in trustee fee payable	5,033	(8,112)
(Decrease)/increase in due to brokers	(3,877,233)	2,737,548
Increase/(decrease) in accrued expense and other payables	28,175	(41,500)
<b>Cash used in operating activities</b>	<u>(2,370,377)</u>	<u>(39,055,626)</u>
Interest received	97	407
Dividend received	4,174,450	6,457,324
Withholding taxes paid	(204,778)	(333,350)
<b>Net cash from/(used in) operating activities</b>	<u>1,599,392</u>	<u>(32,931,245)</u>
<b>Cash flows from financing activities</b>		
Proceeds from units issued	601,202	4,487,805
Redemption of units	(1,266,969)	(2,824,318)
<b>Net cash (used in)/from financing activities</b>	<u>(665,767)</u>	<u>1,663,487</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	933,625	(31,267,758)
Cash and cash equivalents at beginning of the year	<u>21,031,903</u>	<u>52,299,661</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>21,965,528</u></u>	<u><u>21,031,903</u></u>

The notes on pages 11 to 24 are an integral part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**1 General information**

BOCOM International Fund (the “Trust”) is an umbrella unit trust governed by its Trust Deed dated 27 October 2010, as amended (the “Trust Deed”) made between BOCOM International Asset Management Limited as the Manager (the “Manager”) and Bank of Communications Trustee Limited as the Trustee (the “Trustee”). The terms of the Trust Deed are governed by the law of Hong Kong. The Trust is authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) under 104(1) of the Hong Kong Securities and Futures Ordinance.

BOCOM International Dragon Core Growth Fund (the “Sub-Fund”) is one of the three sub-funds under the Trust available for investment as at 31 December 2019. The date of inception of the Sub-Fund was 27 October 2010. The Sub-Fund is also registered as an eligible Collective Investment Scheme under the Capital Investment Entrance Scheme.

The Sub-Fund seeks to deliver long-term capital growth through investing at least 70% of its latest available net asset value in H-shares, red-chips, and other companies listed on the Hong Kong Stock Exchange which have considerable interests in the Greater China region (inclusive of Mainland China, Hong Kong, Macau and Taiwan).

The Manager is owned by BOCOM International Holdings Company Limited, which itself is a subsidiary of Bank of Communications Co., Ltd. (“BOCOM”, and together with BOCOM International Holdings Company Limited and its affiliates, the “BOCOM Group”).

The financial statements are presented in Hong Kong dollars (“HKD”), which is same as the functional currency of the Sub-Fund.

**2 Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**(a) Basis of preparation**

The financial statements of BOCOM International Dragon Core Growth Fund have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires the Trustee and the Manager to exercise their judgment in the process of applying the Sub-Fund’s accounting policies.

Standards and amendments to existing standards effective 1 January 2019

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2019 that have a material effect on the financial statements of the Sub-Fund.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**2 Summary of significant accounting policies (Continued)**

**(a) Basis of preparation (Continued)**

New standards, amendments and interpretations effective after 1 January 2019 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2019, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

**(b) Financial assets at fair value through profit or loss**

Classification

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

As such, the Sub-Fund classifies all of its investment portfolio as financial assets at fair value through profit or loss. The Sub-Fund's policy requires the Manager and the Board of Directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Sub-Fund commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" category are presented in the statement of comprehensive income within "net gains/(losses) on financial assets at fair value through profit or loss" in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Sub-Fund's right to receive payments is established.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**2 Summary of significant accounting policies (Continued)**

**(b) Financial assets at fair value through profit or loss (Continued)**

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Sub-Fund utilises the last traded market price for financial assets where the last traded price falls within the bid-ask spread. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

**(c) Income and expenses**

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

Dividend income is recognised when the right to receive payment is established.

Expenses are accounted for on an accrual basis.

**(d) Foreign currency translation**

**(i) Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The Sub-Fund invests mainly in equity securities in Hong Kong and the performance of the Sub-Fund is measured and reported to the unitholders in Hong Kong dollar (“HKD”). The Manager considers HKD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in HKD, which is the Sub-Fund’s functional and presentation currency.

**(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “net foreign currency gains/(losses)”.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**2 Summary of significant accounting policies (Continued)**

**(d) Foreign currency translation (Continued)**

(ii) Transactions and balances (Continued)

Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gains/(losses) on financial assets at fair value through profit or loss”.

**(e) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, demand deposits, other short-term highly liquid investments with original maturities of three months or less.

**(f) Due from and due to brokers**

Due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Sub-Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Sub-Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

**(g) Redeemable units**

The Sub-Fund issues redeemable units which are redeemable at the holder’s option represents puttable financial instruments of the Sub-Fund. The Sub-Fund classifies its puttable financial instruments as equity as those puttable financial instruments meet all the following criteria:

- the puttable financial instruments entitle the holder to a pro-rata share of net asset value;
- the puttable financial instruments are the most subordinated units in issue and unit features are identical;
- there are no contractual obligations to deliver cash or another financial asset other than the obligation on the issuer to repurchase; and
- the total expected cash flows from the puttable financial instrument over its life are based substantially on the profit or loss of the respective Sub-Fund.

Units are issued and redeemed at the holder’s option at prices based on the Sub-Fund’s net asset value per unit at the time of issue or redemption. The Sub-Fund’s net asset value per unit is calculated by dividing the net assets attributable to unitholders with the total number of outstanding units.

In accordance with the prospectuses of the Sub-Fund, investment positions are valued based on the last bid price for the purpose of determining the net asset value per unit for subscription and redemptions of the Sub-Fund.



**BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**  
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**NOTES TO THE FINANCIAL STATEMENTS**

**2 Summary of significant accounting policies (Continued)**

**(h) 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 recognised in the statement of comprehensive income as an expense.

**(i) Taxation**

The Sub-Fund currently incurs withholding taxes imposed by certain countries on investment income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate item in the statement of comprehensive income.

**3 Financial risk management**

The Sub-Fund's activities may expose it to a variety of risks including but not limited to: market risk (including market price risk, interest rate risk and currency risk), credit and counterparty risk and liquidity risk which are associated with the markets in which the Sub-Fund invests.

The following is a summary of the main risks and risk management policies.

**(a) Market price risk**

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market.

The following table discloses the financial assets at fair value through profit or loss of the Sub-Fund by product types:

	2019 HKD	2018 HKD
<b>Financial assets at fair value through profit or loss</b>		
Listed equities	210,291,830	185,030,865
	<u>210,291,830</u>	<u>185,030,865</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**3 Financial risk management (Continued)**

**(a) Market price risk (Continued)**

The following table discloses the non-derivative financial assets at fair value through profit or loss of the Sub-Fund by industrial sectors:

	<u>2019</u>		<u>2018</u>	
	HKD	% of net asset value	HKD	% of net asset value
Communications	35,529,180	15.70	29,741,740	14.53
Consumer, Cyclical	20,143,550	8.90	3,667,520	1.79
Consumer, Non-cyclical	63,096,000	27.89	19,346,480	9.45
Diversified	-	-	1,880,000	0.92
Energy	-	-	27,390,190	13.39
Financial	74,267,810	32.82	64,544,460	31.54
Industrial	4,987,600	2.20	19,388,800	9.48
Technology	4,250,640	1.88	4,855,740	2.37
Utilities	8,017,050	3.54	14,215,935	6.95
<b>Grand Total</b>	<u>210,291,830</u>	<u>92.93</u>	<u>185,030,865</u>	<u>90.42</u>

The Sub-Fund's market price risk is managed through diversification of the investment portfolio ratios by exposures to different industries.

There is no exposure to individual investments/issuers representing over 10% of the Sub-Fund's net asset value at the reporting date.

At 31 December 2019, the Sub-Fund invests in listed equities and is susceptible to market price risk arising from uncertainties about future values of those investments. The listed equities are publicly traded. If the prices of listed equity securities had increased/decreased by 10%, the Sub-Fund's pre-tax profits for the year would have resulted in an increase/decrease of HKD21,029,183 (2018: HKD18,503,087).

**(b) Interest rate risk**

The majority of the Sub-Fund's financial assets and liabilities are non-interest bearing. As a result, the Sub-Fund is not subject to significant amounts of risk due to fluctuations in the prevailing levels of market interest rates.

As at 31 December 2019 and 2018, interest rate risk arises from cash and cash equivalents. As interest from these interest bearing assets are immaterial, the Sub-Fund considers that changes in their fair value and future cash flows in the event of a change in market interest rates will not be material. Accordingly, no sensitivity analysis has been disclosed for cash and cash equivalents.

**(c) Currency risk**

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As at 31 December 2019 and 2018, the Sub-Fund is not exposed to currency risk arising from balances and transactions in foreign currencies as a majority of their assets and liabilities are denominated in HKD, the Sub-Fund's functional and presentation currency. Accordingly, the Management considers that it is not necessary to present a sensitivity analysis of currency risk.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**3 Financial risk management (Continued)**

**(d) Credit and counterparty risk**

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the custodian has received payment. Payment is made on a purchase when the securities have been received by the custodian. The trade will fail if either party fails to meet its obligation.

The Sub-Fund is also exposed to credit and counterparty risk on cash and cash equivalents.

The Trustee entered into a Global Custodial Services agreement with Citibank N.A., Hong Kong Branch on 25 January 2008. According to the Global Custodial Services agreement, the investment of the Sub-Fund is held in the name of the Trustee or such other name as the Trustee may reasonably designate and will indicate that the investments do not belong to the sub-custodian and are segregated from the sub-custodian's assets. The Sub-Fund's money is held in the name of the Trustee or such other name as the Trustee may reasonably designate and will be held by the sub-custodian.

The table below summarises the net exposure to the Sub-Fund's counterparties together with their credit ratings:

**As at 31 December 2019**

	<b>HKD</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
<b>Investments</b>			
Citibank, N.A.	210,291,830	A+	Standard & Poor's
<b>Cash and cash equivalents</b>			
Citibank, N.A.	21,965,528	A+	Standard & Poor's
<b>Due from brokers</b>			
China Securities (International) Brokerage Co. Ltd.	192,668	BB-	Standard & Poor's
BOCOM International Securities Limited	48,005	A+	Standard & Poor's

**As at 31 December 2018**

	<b>HKD</b>	<b>Credit rating</b>	<b>Source of credit rating</b>
<b>Investments</b>			
Citibank, N.A.	185,030,865	A+	Standard & Poor's
<b>Cash and cash equivalents</b>			
Citibank, N.A.	21,031,903	A+	Standard & Poor's

All the Sub-Fund's investments, cash and cash equivalents and due from brokers are held in major financial institutions, which the Sub-Fund believes are of high credit quality. The Manager considers that the Sub-Fund does not have a significant concentration of credit risk.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**3 Financial risk management (Continued)**

**(d) Credit and counterparty risk (Continued)**

Cash and cash equivalents and due from brokers are subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

The Manager mitigates the counterparty risk associated with the Sub-Fund by putting in place appropriate counterparty risk management procedures. The Manager monitors the credit rating of the brokers on an ongoing basis.

**(e) Liquidity risk**

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of their assets in securities that are traded in an active market which can be readily disposed of.

Units are redeemed on demand at the unitholder's option. With a view to protecting the interest of unitholders, the Manager is entitled, with the approval of the Trustee, to limit the number of units of the Sub-Fund redeemed on any dealing day to 10% of the total number of units in issue. As at 31 December 2019, there were 2 (2018: 2) unitholder accounts each holding more than 10% of the Sub-Fund's units.

The table below analyses the Sub-Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows:

	Less than 3 months HKD
<b>As at 31 December 2019</b>	
Management fee payable	289,142
Trustee fee payable	63,965
Due to brokers	5,618,546
Accrued expenses and other payables	260,001
<b>Contractual cash outflow</b>	<b>6,231,654</b>
<b>As at 31 December 2018</b>	
Management fee payable	264,936
Trustee fee payable	58,932
Due to brokers	9,495,779
Accrued expenses and other payables	231,826
<b>Contractual cash outflow</b>	<b>10,051,473</b>

As at 31 December 2019, the total assets of the Sub-Fund amounted to HKD232,528,031 (2018: HKD214,675,854). The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 3 months or less.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**3 Financial risk management (Continued)**

**(e) Liquidity risk (Continued)**

The following table illustrates the expected liquidity of assets held:

	Less than 3 months HKD
<b>As at 31 December 2019</b>	
Total assets	232,528,031
<b>As at 31 December 2018</b>	
Total assets	214,675,854

**(f) Fair value estimation**

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**3 Financial risk management (Continued)**

**(f) Fair value estimation (Continued)**

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets measured at fair value at 31 December 2019 and 2018 respectively:

	Level 1 HKD	Level 2 HKD	Level 3 HKD	Total HKD
<b>As at 31 December 2019</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Listed equities	210,291,830	-	-	210,291,830
	<u>210,291,830</u>	<u>-</u>	<u>-</u>	<u>210,291,830</u>
<b>Total assets</b>	<u>210,291,830</u>	<u>-</u>	<u>-</u>	<u>210,291,830</u>
<b>As at 31 December 2018</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Listed equities	185,030,865	-	-	185,030,865
	<u>185,030,865</u>	<u>-</u>	<u>-</u>	<u>185,030,865</u>
<b>Total assets</b>	<u>185,030,865</u>	<u>-</u>	<u>-</u>	<u>185,030,865</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1, include listed equities. The Sub-Fund does not adjust the quoted price for these instruments.

Financial instruments that trade in markets that are not considered to be active and are valued based on quoted market prices or broker quotes, or financial instruments for which there is no active market and are valued based on valuation models supported by observable inputs are classified within level 2. As at 31 December 2019 and 31 December 2018, there were no level 2 investment held by the Sub-Fund.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include equity securities. As observable prices are not available for these securities, the Sub-Fund has used valuation techniques to derive the fair value.

For the year ended 31 December 2019 and 2018, there were no transfers between levels.

**(g) Capital risk management**

The capital of the Sub-Fund is represented by the net assets attributable to unitholders. The Sub-Fund strive to invest the subscriptions in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions. The Management may redeem and issue new units in accordance with the constitutive documents of the Sub-Fund.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**4 Financial instruments by category**

Financial assets

Apart from financial assets at fair value through profit or loss as disclosed in the statement of financial position which are classified as at fair value through profit or loss, all other financial assets as disclosed in the statement of financial position, including dividend receivable, due from brokers and cash and cash equivalents, are categorised as “loans and receivables”.

Financial liabilities

All financial liabilities as disclosed in the statement of financial position, including due to brokers, management fee payable, trustee fee payable, accrued expenses and other payables, are categorised as “other financial liabilities”.

**5 Net gains/(losses) on financial assets at fair value through profit or loss**

	2019 HKD	2018 HKD
Net realised (losses)/gains on sale of financial assets at fair value through profit or loss	(14,390,866)	4,259,649
Change in unrealised gains/losses of financial assets at fair value through profit or loss	39,327,794	(42,863,454)
	<u>24,936,928</u>	<u>(38,603,805)</u>

**6 Number of units in issue and net assets attributable to unitholders per unit**

As at 31 December 2019 and 2018, the Sub-Fund issued one class of units.

The movements of the redeemable units are as follows:

	2019	2018
<b>Units in issue at beginning of the year</b>	26,564,005.720	26,396,042.712
Issue of units during the year	76,507.017	469,337.469
Units redeemed during the year	(152,684.902)	(301,374.461)
<b>Units in issue at end of the year</b>	<u>26,487,827.835</u>	<u>26,564,005.720</u>

The following table details the net asset value per unit of each class of units at the reporting date:

	Net assets value HKD	Number of units outstanding	Net asset value per unit HKD
<b>At 31 December 2019</b>	<u>226,296,377</u>	<u>26,487,827.835</u>	<u>8.543</u>
<b>At 31 December 2018</b>	<u>204,624,381</u>	<u>26,564,005.720</u>	<u>7.703</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**7 Transactions with the Trustee and its affiliates and the Manager and its connected persons**

The following is a summary of significant related party transactions/transactions entered into during the year between the Sub-Fund and 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 year between the Sub-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. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with Connected Persons except for those disclosed below and Note 3(d).

**(a) Management fee**

The Manager is entitled to receive a management fee calculated at the annual rate of 1.5% (2018: 1.5%) per annum of the net asset value of the portfolio on the relevant valuation date, which shall be accrued daily and payable monthly in arrears.

The total management fee for the year amounted to HKD3,266,358 (2018: HKD3,532,850). As at 31 December 2019, the Sub-Fund has management fee payable to the Manager of HKD 289,142 (2018: HKD264,936).

**(b) Trustee fee**

The Trustee of the Sub-Fund is entitled to a fee payable monthly in arrears calculated as to 0.30% to 0.35% per annum (2018: 0.30% to 0.35%) and subject to a minimum annual fee of HKD350,000, which is accrued daily and is payable monthly in arrears.

The total trustee fee for the year amounted to HKD723,270 (2018: HKD776,570). As at 31 December 2019, trustee fee payable to the Trustee is HKD63,965 (2018: HKD58,932).

**(c) Brokerage fee and due from/to brokers**

During the year, the total aggregate value of the transactions of the Sub-Fund effected through BOCOM International Securities Limited, a fellow subsidiary of the Manager, amounted to HKD197,069,717 (2018: HKD242,491,910), representing 19.3% (2018: 17.8%) of the total transactions in value during the year.

The total brokerage commission paid to BOCOM International Securities Limited in relation to such transactions amounted to HKD236,554 (2018: HKD291,048), with an average commission rate of 0.12% (2018: 0.12%), which is included in transaction costs in the statement of profit or loss and other comprehensive income.

As at 31 December 2019, the amount due to and due from BOCOM International Securities Limited are HKD1,393,145 (2018: HKD9,495,779) and HKD48,005 (2018: Nil) respectively, which are included in the statement of financial position.

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

As at 31 December 2019, BOCOM International Holdings Company Limited, the holding company of the Manager, held 4,000,000 units (2018: 4,000,000 units) in the Sub-Fund.



## **BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**

(A Sub-fund of BOCOM International Fund)

### **NOTES TO THE FINANCIAL STATEMENTS**

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

##### **(e) Transactions with the Manager's subsidiary**

As at 31 December 2019, BOCOM International Global Investment Limited, a subsidiary of the Manager, held 21,401,515.392 units (2018: 21,401,515.392 units) in the Sub-Fund.

##### **(f) Transaction with the director of the Manager**

As at 31 December 2019, a director of the Manager held 50,000 units (2018: 50,000 units) in the Sub-Fund.

#### **8 Taxation**

##### Hong Kong Profits Tax

No provision for Hong Kong profits tax has been made for the Sub-Fund as the Sub-Fund is authorised as a collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

#### **8 Taxation (Continued)**

##### People's Republic of China

The Sub-Fund has investments in shares of companies in People's Republic of China ("PRC") listed on the Hong Kong Stock Exchange ("H-shares"). Under general taxing provisions of the Corporate Income Tax Law ("CIT Law"), a Sub-Fund could be technically subject to 10% WIT on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties. However, there may be practical difficulty for the PRC tax authorities to impose and collect WIT on such capital gains. The 10% WIT has not been strictly enforced by local tax bureau on capital gains derived by non-tax resident enterprises of the PRC from the trading of H-Shares. Where capital gains are derived from trading of H-Shares, VAT in general is not imposed as the purchase and disposal are often concluded and completed outside the PRC.

No provision was made for taxation from such gains in the financial statements as the Manager believes that the taxation on capital gains derived from H-Shares is not probable under the current enforcement environment.

Withholding income tax of 10% was charged on dividend income received from H-shares during the year.

##### Withholding Tax

Income from investments held by the Sub-Fund may be subject to withholding taxes in jurisdictions other than that of the Sub-Fund as imposed by the country of origin. Withholding taxes are shown as a separate line item in the statement of profit or loss and other comprehensive income.

#### **9 Soft commission arrangements**

The Manager confirms that there has been no soft commission arrangement existing during the year ended 31 December 2019 and 2018 in relation to directing transactions of the Sub-Fund through a broker or dealer.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**10 Distribution to unitholders**

The Sub-Fund did not make any distribution during the year ended 31 December 2019 and 2018.

**11 Approval of financial statements**

The financial statements were approved by the Trustee and the Manager on 24 April 2020.

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

**INVESTMENT PORTFOLIO (UNAUDITED)**  
**AS AT 31 DECEMBER 2019**

<b>Investments (92.93%)</b>	<b>Holdings</b>	<b>Fair Value HKD</b>	<b>% of Net assets</b>
<b>Equity securities (92.93%)</b>			
<b>Listed in Hong Kong</b>			
AIA GROUP LTD	150,000	12,270,000	5.42%
ALIBABA GROUP HOLDING LTD	20,000	4,144,000	1.83%
A-LIVING SERVICES CO LTD	255,000	6,859,500	3.03%
ANTA SPORTS PRODUCTS LTD	93,000	6,486,750	2.87%
BOSIDENG INTL HLDGS LTD	1,100,000	3,091,000	1.37%
CANSINO BIOLOGICS INC	271,200	15,987,240	7.07%
CHINA ANIMAL HEALTHCARE LTD	270,000	-	-
CHINA CONSTRUCTION BANK	700,000	4,711,000	2.08%
CHINA EAST EDUCATION HOLDING	95,000	1,546,600	0.68%
CHINA MENGNIU DAIRY CO	25,000	787,500	0.35%
CHINA MERCHANTS BANK	395,800	15,851,790	7.00%
CHINA RESOURCES GAS GROUP LTD	74,000	3,163,500	1.40%
CHINA RESOURCES LAND LTD	130,000	5,044,000	2.23%
CHINA YUHUA EDUCATION CORP LTD	1,352,000	7,098,000	3.14%
ENN ENERGY HOLDINGS LTD	57,000	4,853,550	2.14%
EVER SUNSHINE LIFESTYLE SERVICES GROUP LTD	712,000	3,745,120	1.65%
MANPOWERGROUP GREATER CHINA LTD	287,000	2,778,160	1.23%
MEITUAN DIANPING	85,000	8,661,500	3.83%
PHARMARON BEIJING CO LTD	205,000	8,917,500	3.94%
PING AN INSURANCE GROUP CO	188,500	17,360,850	7.67%
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CO	356,000	4,250,640	1.88%
SHENZHOU INTERNATIONAL GROUP	55,000	6,259,000	2.77%
SINO BIOPHARMACEUTICAL LTD	716,000	7,804,400	3.45%
SUNAC CHINA HOLDINGS LTD	181,000	8,425,550	3.72%
SUNNY OPTICAL TECHNOLOGY CO LTD	37,000	4,987,600	2.20%
TENCENT HOLDINGS LTD	47,800	17,953,680	7.93%
VITASOY INTL HOLDINGS LTD	160,000	4,512,000	1.99%
WEICHAJ POWER CO LTD	107,000	1,754,800	0.78%
WUXI BIOLOGICS CAYMAN INC	67,000	6,606,200	2.92%
YUEXIU TRANSPORT INFRASTRUCTURE LTD	1,020,000	7,058,400	3.12%
ZHONGSHENG GROUP HOLDINGS	80,000	2,552,000	1.13%
ZTE CORP	200,000	4,770,000	2.11%
		<hr/>	
		210,291,830	92.93%
		<hr/>	
<b>Total investments</b>		210,291,830	92.93%
		<hr/>	
<b>Other net assets</b>		16,004,547	7.07%
		<hr/>	
<b>Total net assets as at 31 December 2019</b>		226,296,377	100.00%
		<hr/>	
<b>Total Investments at cost</b>		185,513,769	
		<hr/>	

**BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**

(A sub-fund of BOCOM International Fund)

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2018	Holdings		2019
		Additions	Disposals	
<b>Investments</b>				
AIA GROUP LTD	188,200	97,400	135,600	150,000
ALIBABA GROUP HOLDING LTD	-	20,000	-	20,000
A-LIVING SERVICES CO LTD	-	255,000	-	255,000
ANTA SPORTS PRODUCTS LTD	-	181,000	88,000	93,000
ANTON OILFIELD SERVICES GROUP	13,100,000	1,746,000	14,846,000	-
AOYUAN HEALTHY LIFE LTD	-	704,000	704,000	-
BANK OF CHINA	-	625,000	625,000	-
BOC HONG KONG HOLDING LTD	-	100,000	100,000	-
BOSIDENG INTL HLDGS LTD	2,512,000	1,920,000	3,332,000	1,100,000
BYD CO LTD	-	129,000	129,000	-
BYD ELECTRONIC INTERNATIONAL CO LTD	-	100,000	100,000	-
CANSINO BIOLOGICS INC	-	271,200	-	271,200
CHINA ANIMAL HEALTHCARE LTD	270,000	-	-	270,000
CHINA COMMUNICATIONS SERVICES CO LTD	860,000	494,000	1,354,000	-
CHINA CONSTRUCTION BANK	2,003,000	715,000	2,018,000	700,000
CHINA EAST EDUCATION HOLDINGS LTD	-	95,000	-	95,000
CHINA EDUCATION GROUP HOLDING LTD	200,000	300,000	500,000	-
CHINA EVERGRANDE GROUP	-	165,000	165,000	-
CHINA LIFE INSURANCE CO	-	255,000	255,000	-
CHINA LONGYUAN POWER GROUP CO	527,000	-	527,000	-
CHINA MOBILE LTD	112,000	-	112,000	-
CHINA PACIFIC INSURANCE CO LTD	-	95,000	95,000	-
CHINA RAILWAY CONSTRUCTION CN	-	200,000	200,000	-
CHINA RAILWAY GROUP LTD	750,000	350,000	1,100,000	-
CHINA RESOURCES LAND LTD	-	206,000	76,000	130,000
CHINA RESOURCES BEER HOLDING CO LTD	76,000	126,000	202,000	-
CHINA RESOURCES GAS GROUP LTD	110,000	74,000	110,000	74,000
CHINA TIAN LUN GAS HOLDINGS	275,000	-	275,000	-
CHINA TOWER CORP LTD	3,270,000	12,784,000	16,054,000	-
CHINA TRADITIONAL CHINESE MEDICINE HOLDING CO LTD	1,000,000	-	1,000,000	-
CHINA UNICOM LTD	-	24,000	24,000	-
CHINA YUHUA EDUCATION CORP LTD	3,396,000	2,732,000	4,776,000	1,352,000
CHINASOFT INTERNATIONAL LTD	524,000	-	524,000	-
CIMC ENRIC HOLDINGS LTD	480,000	186,000	666,000	-
CITIC SECURITIES CO	-	770,000	770,000	-
CK HUTCHISON HOLDINGS LTD	25,000	-	25,000	-
CK INFRASTRUCTURE HOLDINGS LTD	62,000	-	62,000	-
CHINA MERCHANTS BANK	-	452,000	56,200	395,800
CNOOC LTD	1,038,000	90,000	1,128,000	-
COUNTRY GARDEN HOLDINGS CO LTD	-	273,000	273,000	-
CHINA PHARMACEUTICAL GROUP LTD	-	714,000	714,000	-
ENN ENERGY HOLDINGS LTD	65,500	82,000	90,500	57,000
EVER SUNSHINE LIFESTYLE SERVICES GROUP LTD	-	712,000	-	712,000

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

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

	2018	Holdings		2019
		Additions	Disposals	
<b>Investments</b>				
GEELY AUTOMOBILE HOLDINGS LTD	-	435,000	435,000	-
GENSCRIPT BIOTECH CORP	-	120,000	120,000	-
GUANGZHOU AUTOMOBILE GROUP CO LTD	-	776,000	776,000	-
HAIDILAO INTERNATIONAL HOLDING LTD	-	182,000	182,000	-
HANG SENG BANK LTD	26,400	-	26,400	-
HISENSE HOME APPLIANCES GROUP LTD	-	755,000	755,000	-
HKEX	-	88,900	88,900	-
HSBC HOLDINGS PLC	212,800	243,600	456,400	-
HUA HONG SEMICONDUCTOR LTD	-	92,000	92,000	-
INDUSTRIAL & COMMERCIAL BANK OF CHINA	1,287,000	380,000	1,667,000	-
KINGDEE INTERNATIONAL SOFTWARE GROUP CO LTD	410,000	1,211,000	1,621,000	-
KINGSOFT CORP LTD	-	557,000	557,000	-
LENOVO GROUP LTD	-	360,000	360,000	-
LINK REIT	30,000	48,500	78,500	-
MANPOWERGROUP GROUP GREATER CHINA	-	391,250	104,250	287,000
MEITUAN DIANPING	-	162,000	77,000	85,000
MENGNIU DAIRY CO LTD	-	117,000	92,000	25,000
MTR CORP	-	44,500	44,500	-
PHARMARON BEIJING CO LTD-H	-	205,000	-	205,000
PING AN HEALTHCARE AND TECHNOLOGY CO LTD	-	60,000	60,000	-
PING AN INSURANCE GROUP CO LTD	165,000	23,500	-	188,500
POSTAL SAVINGS BANK OF CHINA	-	635,000	635,000	-
POWER ASSETS HOLDINGS LIMITED	63,500	-	63,500	-
SHANDONG GOLD MINING CO LTD	-	224,000	224,000	-
SHANGHAI JUNSHI BIOSCIENCE CO LTD	-	55,000	-	55,000
SHENZHOU INTERNATIONAL GROUP HOLDINGS LTD	-	34,500	34,500	-
SHK PPT	-	1,448,000	732,000	716,000
SINO BIOPHARMACEUTICAL LTD	-	350,000	350,000	-
SINOPHARM GROUP CO LTD-H	-	63,600	63,600	-
SEMICONDUCTOR MANUFACTURING INTERNATIONAL CORP	-	356,000	-	356,000
SUNAC CHINA HOLDINGS LTD	-	489,000	308,000	181,000
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	-	130,500	93,500	37,000
TENCENT HOLDINGS LTD	54,300	6,200	12,700	47,800
TONGCHENG-ELONG HOLDINGS LTD	-	524,400	524,400	-
VITASOY INTL HOLDINGS LTD	-	266,000	106,000	160,000
WEICHAJ POWER CO LTD	-	107,000	-	107,000
WUXI BIOLOGICS CAYMAN INC	-	67,000	-	67,000
XIAOMI CORP	-	2,086,000	2,086,000	-
XTEP INTERNATIONAL HOLDINGS LTD	-	1,105,000	1,105,000	-

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

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**(CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

		<b>Holdings</b>		
	2018	Additions	Disposals	2019
<b>Investments</b>				
YANGTZE OPTICAL FIBRE AND CABLE	200,000	222,500	422,500	-
YUEXIU TRANSPORT INFRASTRUCTURE LTD	-	1,020,000	-	1,020,000
ZHONGSHENG GROUP HOLDINGS LTD	-	80,000	-	80,000
ZTE CORP	-	1,951,800	1,751,800	200,000

**BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND**

(A sub-fund of BOCOM International Fund)

**PERFORMANCE TABLE (UNAUDITED)  
FOR THE YEAR ENDED 31 DECEMBER 2019****Net asset values**

	Net asset value HKD	Net asset value per unit HKD
At 31 December 2019 (Dealing NAV)	<u>226,296,377</u>	<u>8.543</u>
At 31 December 2018 (Dealing NAV)	<u>204,624,381</u>	<u>7.703</u>
At 31 December 2017 (Dealing NAV)	<u>243,796,888</u>	<u>9.236</u>

**Highest and lowest net asset value per unit (Dealing NAV)**

	Highest net asset value per unit	Lowest net asset value per unit
Year ended 31 December 2019	<u>8.957</u>	<u>7.451</u>
Year ended 31 December 2018	<u>10.201</u>	<u>7.589</u>
Year ended 31 December 2017	<u>9.600</u>	<u>6.870</u>
Year ended 31 December 2016	<u>7.623</u>	<u>6.382</u>
Year ended 31 December 2015	<u>12.316</u>	<u>7.612</u>
Year ended 31 December 2014	<u>10.250</u>	<u>8.052</u>
Year ended 31 December 2013	<u>9.796</u>	<u>7.938</u>
Year ended 31 December 2012	<u>9.483</u>	<u>7.129</u>
Year ended 31 December 2011	<u>10.160</u>	<u>6.740</u>
Period ended 31 December 2010 (from inception)	<u>10.000</u>	<u>9.806</u>