

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

**SEMI-ANNUAL REPORT (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2020**

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**MANAGEMENT AND ADMINISTRATION**

**Manager**

BOCOM International Asset Management Limited  
9/F, Man Yee Building  
68 Des Voeux Road Central  
Central  
Hong Kong

**Directors of the Manager**

TAN Yueheng  
CHENG Chuange  
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

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**REPORT OF THE MANAGER TO THE UNITHOLDERS**

The A-share market performed strongly during 1H 2020 as compared to the global market, which the total return recorded +2.72 per cent while most foreign indexes showed negative return. As affected by the Covid-19, the global stock market, as well as the A-share market, plummeted since March 2020. In general, the CSI 300 index fluctuated widely, and the sector diversity was very obvious. The healthcare, the consumer and the TMT sectors all performed outstandingly especially the healthcare sector. However, the banking, the steel and the real estate sectors performed poorly. Given the prompt recovery of the Chinese economy (in terms of, for example, the GDP, CPI, PPI, etc.) and a series of powerful policies, we still hold an optimistic view of the A-share's performance in 2H 2020 and believe that the consumer and the infrastructure sector may perform better among other sectors in the market.

For the half-year till 30 June 2020, the total return of the fund's Class R and Class I were +20.23 per cent and +20.4 per cent respectively. We prefer to hold those "white-horse" stocks which have solid fundamentals in their related industries.

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**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

**AS AT 30 JUNE 2020**

	<b>30 Jun 2020 RMB</b>	<b>31 Dec 2019 RMB</b>
<b>Non-Current Assets</b>		
Deposit reserve	224,000	224,000
<b>Assets</b>		
Financial assets at fair value through profit or loss	41,345,016	35,083,836
Interest receivable	14,800	15,125
Due from brokers	-	765,542
Cash and cash equivalents	931,394	1,612,752
<b>Total assets</b>	42,515,210	37,701,255
<b>Liabilities</b>		
Management fee payable	44,525	39,900
Trustee fee payable	65,050	65,227
Sub-custodian fee payable	3,503	3,124
Due to brokers	-	996,311
Accrued expenses and other payables	317,676	357,999
<b>Total liabilities (excluding net assets attributable to unitholders)</b>	430,754	1,462,561
Net assets attributable to unitholders	42,084,456	36,238,694

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**STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2020**

	Note	For the six months ended 30 Jun 2020 RMB	For the six months ended 30 Jun 2019 RMB
<b>Income</b>			
Interest income		5,326	10,480
Interest from financial assets at fair value through profit or loss		35,504	44,992
Dividend income		263,023	385,495
Net gains on financial assets at fair value through profit or loss		7,537,458	7,029,932
Net foreign currency gains/(losses)		223	-
<b>Total income</b>		7,841,534	7,470,899
<b>Expenses</b>			
Management fee	2(a)	234,081	217,990
Trustee fee	2(b)	369,968	368,943
Sub-custodian fee		17,399	14,818
Audit fee		143,525	110,584
Transaction costs		59,702	80,529
Bank charges		3,913	4,223
Other operating expenses		177,925	185,195
<b>Total operating expenses</b>		1,006,513	982,282
<b>Profit before tax</b>		6,835,021	6,488,617
Taxation		(29,112)	(15,686)
<b>Profit after tax</b>		6,805,909	6,472,931
Adjustment for different basis adopted by the Sub-Fund in arriving at net assets attributable to unitholders		-	(45,597)
<b>Increase in net assets attributable to unitholders from operations</b>		6,805,909	6,427,334

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**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2020**

	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 2019</b>	900,352.470	9,065,470	10.068	2,100,000.00	21,423,388	10.201	30,488,858
Issuance of units	-	-		-	-		-
Redemption of units	(158,615.755)	(1,822,701)		-	-		(1,822,701)
Total comprehensive profit	-	1,818,738		-	4,608,596		6,427,334
<b>As at 30 June 2019</b>	<u>741,736.715</u>	<u>9,061,507</u>	<u>12.216</u>	<u>2,100,000.00</u>	<u>26,031,984</u>	<u>12.396</u>	<u>35,093,491</u>
<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>	<u>15.015</u>	<u>2,100,000.00</u>	<u>32,091,991</u>	<u>15.281</u>	<u>42,084,456</u>

**BOCOM INTERNATIONAL CHINA DYNAMIC FUND**

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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)  
FOR THE SIX MONTHS ENDED 30 JUNE 2020**

**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 2019, 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 2019. Other amendments to HKFRS effective for the financial year ended 31 December 2020 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 2020 was RMB234,081 (2019: RMB217,990), of which RMB44,525 (2019: RMB39,900) was outstanding at 30 June 2020.

**(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 RMB31,000 (2019: RMB31,000) 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 2020 was RMB369,968 (2019: RMB368,943), of which RMB65,050 (2019: RMB65,227) was outstanding at 30 June 2020.

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

Cash and cash equivalents of RMB931,394 (2019: RMB1,612,752) and deposit reserve of RMB224,000 (2019: RMB224,000) are held with related parties of the Trustee and the Manager. During the period for the six months ended 30 June 2020, the fund recognised interest income of RMB5,326 (2019: RMB10,480) and bank charges of RMB3,913 (2019: RMB 4,223) 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 2020**

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

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

As at 30 June 2020, BOCOM International Holdings Company Limited, the holding company of the Manager, held 2,000,000 (2019: 2,000,000) Class I units in the fund.

**(e) Transactions with the directors of the Manager**

As at 30 June 2020, the directors of the Manager held 50,000 (2019: 50,000) units in the fund.

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

During the period for six months ended 30 June 2020, the fund recognized a sub-custodian fee of RMB17,399 (2019: RMB14,818) 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 2020.

**4. Borrowings**

The fund did not make any borrowings during the six months ended 30 June 2020

**5. Contingent liabilities and commitments**

The fund did not have any contingent liabilities and commitments during the six months ended 30 June 2020.

**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 2020

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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2020**

**8. Details on units/shares**

	30 Jun 2020 RMB	31 Dec 2019 RMB
<b>Net assets per class</b>		
Class I	32,091,991	26,913,749
Class R	9,992,465	9,324,945
<b>Number of units outstanding</b>		
Class I	2,100,000.000	2,100,000.000
Class R	665,483.899	739,410.492
<b>Net asset value per unit</b>		
Class I	15.281	12.816
Class R	15.015	12.611

**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 2020**

<b>Investments (98.24%)</b>	<b>Holdings</b>	<b>Fair Value RMB</b>	<b>% of Net Asset</b>
<b>Debt securities (5.11%)</b>			
<b>Listed in China</b>			
China Government Bond 3.40 04/17/2023	2,100,000	2,151,450	5.11%
		<u>2,151,450</u>	<u>5.11%</u>
<b>Equity securities (93.13%)</b>			
<b>Listed in China</b>			
Gree Electric Appliances Inc of Zhuhai	48,000	2,715,360	6.45%
China Merchants Property Operation & Service Co Ltd	64,000	1,966,720	4.67%
Zhejiang Sanhua Intelligent Controls Co Ltd	140,400	3,074,760	7.31%
Luxshare Precision Industry Co Ltd	80,597	4,138,656	9.83%
C&S Paper Co Ltd	70,000	1,561,000	3.71%
Aier Eye Hospital Group Co Ltd	70,720	3,072,784	7.30%
Jafron Biomedical Co Ltd	25,000	1,737,500	4.13%
Contemporary Amperex Technology Co Ltd	20,600	3,591,816	8.53%
Shenzhen Mindray Bio-Medical Electronics Co Ltd	3,800	1,161,660	2.77%
Jiangsu Hengrui Medicine Co Ltd	38,400	3,544,320	8.42%
Wanhua Chemical Group Co Ltd	48,000	2,399,520	5.70%
Kweichow Moutai Co Ltd	2,500	3,657,200	8.69%
Anhui Conch Cement Co Ltd	33,000	1,746,030	4.15%
Shanxi Xinghuacun Fen Wine Factory Co Ltd	11,000	1,595,000	3.79%
Ping An Insurance Group Co of China Ltd	15,000	1,071,000	2.55%
Proya Cosmetics Co Ltd	12,000	2,160,240	5.13%
		<u>39,193,566</u>	<u>93.13%</u>
<b>Total investments</b>		<u>41,345,016</u>	<u>98.24%</u>
<b>Other net assets</b>		<u>739,440</u>	<u>1.76%</u>
<b>Total net assets as at 30 June 2020</b>		<u><u>42,084,456</u></u>	<u><u>100.00%</u></u>
<b>Total investments at cost</b>		<u><u>30,356,681</u></u>	

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**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2020**

Investments	31 December	Holdings		30 June
	2019	Additions	Disposals	2020
Ping An Bank Co Ltd	114,000		114,000	
ZTE Corp		71,500	71,500	
Midea Group Co Ltd	39,900		39,900	
Weichai Power Co Ltd	48,000	17,000	65,000	
Gree Electric Appliances Inc of Zhuhai		68,000	20,000	48,000
BOE Technology Group Co Ltd		220,000	220,000	
Inspur Electronic Information Industry Co Ltd	13,500	38,020	51,520	
China Merchants Property Operation & Service Co Ltd		64,000		64,000
Yifan Pharmaceutical Co Ltd		40,000	40,000	
Zhejiang Sanhua Intelligent Controls Co Ltd	81,000	78,400	19,000	140,400
Beijing Oriental Yuhong Waterproof Technology Co Ltd	37,000		37,000	
Yantai Jereh Oilfield Services Group Co Ltd		19,000	19,000	
Luxshare Precision Industry Co Ltd	91,100	36,897	47,400	80,597
C&S Paper Co Ltd		115,000	45,000	70,000
Wuhu Sanqi Interactive Entertainment Network Technology Group Co Ltd		60,000	60,000	
Perfect World Co Ltd/China		15,500	15,500	
Suzhou Shijia Science & Technology Inc		8,000	8,000	
Lepu Medical Technology Beijing Co Ltd	20,000		20,000	
Eve Energy Co Ltd	19,000	21,400	40,400	
Aier Eye Hospital Group Co Ltd	45,100	29,420	3,800	70,720
Wuhu Token Science Co Ltd		110,200	110,200	
Zhongji Innolight Co Ltd		31,000	31,000	
Jafron Biomedical Co Ltd	15,000	33,700	23,700	25,000
Contemporary Amperex Technology Co Ltd		20,600		20,600
Shenzhen Mindray Bio-Medical Electronics Co Ltd		3,800		3,800
Sany Heavy Industry Co Ltd	78,000		78,000	
China Merchants Bank Co Ltd	46,000		46,000	
Jiangsu Hengrui Medicine Co Ltd	26,000	16,400	4,000	38,400
Wanhua Chemical Group Co Ltd	6,000	54,000	12,000	48,000
Kweichow Moutai Co Ltd	2,800		300	2,500
Shandong Gold Mining Co Ltd	24,000		24,000	
JCET Group Co Ltd	32,000	56,000	88,000	
Anhui Conch Cement Co Ltd	52,527	10,500	30,027	33,000
Ningbo Joyson Electronic Corp		18,000	18,000	
Sanan Optoelectronics Co Ltd	20,000	82,000	102,000	
Shanxi Xinghuacun Fen Wine Factory Co Ltd		11,000		11,000
China National Chemical Engineering Co Ltd		75,000	75,000	
Ping An Insurance Group Co of China Ltd	29,000	15,000	29,000	15,000
Ningbo Jintian Copper Group Co Ltd		1,000	1,000	
Huatai Securities Co Ltd	15,000	40,000	55,000	
Ningbo Tuopu Group Co Ltd		54,800	54,800	
Beijing-Shanghai High Speed Railway Co Ltd		8,000	8,000	
WuXi AppTec Co Ltd	8,000		8,000	
Ningbo Xusheng Auto Technology Co Ltd		14,000	14,000	
Juwei Food Co Ltd	3,500		3,500	

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

**FOR THE SIX MONTHS ENDED 30 JUNE 2020**

<b>Investments (Continued)</b>	<b>31 December</b>	<b>Holdings</b>		<b>30 June</b>
	<b>2019</b>	<b>Additions</b>	<b>Disposals</b>	<b>2020</b>
Proya Cosmetics Co Ltd		15,028	3,028	12,000
Xiangpiaopiao Food Co Ltd		12,000	12,000	
Oppein Home Group Inc		17,000	17,000	
Guangzhou Kingmed Diagnostics Group Co Ltd		12,000	12,000	
Shanghai M&G Stationery Inc		15,500	15,500	
Gigadevice Semiconductor Beijing Inc		3,200	3,200	
Micro-Tech Nanjing Co Ltd		2,100	2,100	
Hangzhou Raycloud Technology Co Ltd		500	500	
China Government Bond 3.40 04/17/2023	2,100,000			2,100,000