

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

**REPORTS AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED**

**31 DECEMBER 2021**

**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**

LI Baohua (Appointed on 24 December 2021 and  
resigned on 28 February 2022)  
LI Wu (Appointed on 24 December 2021)  
XI Xuanhua (Appointed on 24 December 2021)  
CHENG Chuange (Ceased on 24 December 2021)  
MENG Yu (Ceased on 24 December 2021)  
SU Fen (Ceased on 24 December 2021)

**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,  
Hunghom, Kowloon,  
Hong Kong

**Legal Counsel to the Manager**

Deacons  
5/F, Alexandra House  
18 Chater Road  
Central  
Hong Kong

**Auditor**

PricewaterhouseCoopers  
22/F, Prince's Building  
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 decreased 11.84 per cent during 2021, primarily due to the unexpected emergence of Delta and Omicron variant virus, the strengthening government supervision, and domestic property debt problem in the second half year. The bottom point was on 20 December 2021, however, the market rebounded and finally closed at 23,397.67 on 31 December 2021. Compared to last year, HSI was much weaker because of so many uncertainties to the market, which led inflation such as rising shipping costs, disrupted supply chain, and soaring energy prices. Top leaders of HSI index was LI Ning Co. Ltd, Sunny Optical Tech and Petro China Co. Lt, which gained 60.31 per cent, 45.32 per cent and 44.58 per cent, respectively. Oppositely, Alibaba Health Information, Haidilao International and Alibaba Group Holding Ltd ranked the last three of index constituents in terms of YTD return.

**Portfolio Review**

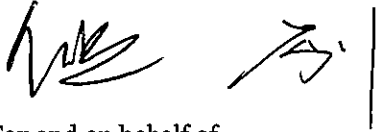
For the year ended 31 December 2021, the Sub-Fund recorded negative 15.92 per cent total return, which underperformed Hang Seng Index. The main reason is that the healthcare sector, which was heavily weighted by the fund, plummeted since October 2021. Although the related positions have been adjusted in a timely manner, the final performance still cannot make up for the loss. Looking forward in 2022, we believe that the trend of valuation differentiation and sector diversity will continue while some overvalued stocks would call back. Compared to last year, we think old economy sectors such as financial, telecommunication could have better performance. In addition, we think Sino-US relationship and hiking interest rate of US could have uncertain effect on growth sectors and stocks, which means we need to keep defensive view through the whole year.

**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, as amended and all its supplemental deeds for the year ended 31 December 2021.

Handwritten signature and initials in black ink. The signature is on the left, and the initials 'B.' are on the right, followed by a vertical line.

For and on behalf of  
Bank of Communications Trustee Limited  
27 April 2022

**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, which are set out on pages 7 to 25, comprise:

- the statement of financial position as at 31 December 2021;
- 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 significant accounting policies and other explanatory information.

*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 2021, and of its financial transactions and its 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 ("HKSAs") 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)

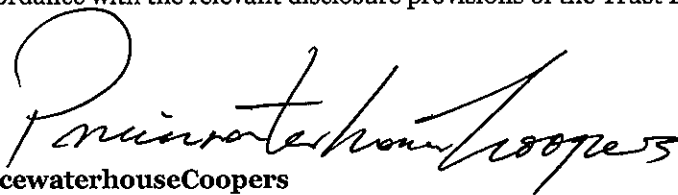
**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- 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**  
Certified Public Accountants

Hong Kong, 27 April 2022





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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2021**

	Note	2021 HKD	2020 HKD
<b>Assets</b>			
Financial assets at fair value through profit or loss	3(a)	182,213,940	308,501,045
Dividend receivable		55,964	-
Prepayment		34,501	34,501
Cash and cash equivalents	3(d), 7(a)	53,229,531	10,092,801
<b>Total assets</b>		<u>235,533,936</u>	<u>318,628,347</u>
<b>Liabilities</b>			
Management fee payable	7(b)	629,635	385,130
Trustee fee payable	7(c)	138,009	82,955
Due to brokers		-	427,537
Accrued expense and other payables		372,556	288,750
<b>Total liabilities</b>		<u>1,140,200</u>	<u>1,184,372</u>
<b>Equity</b>			
Net assets attributable to unitholders	6	<u>234,393,736</u>	<u>317,443,975</u>

Approved and authorised for issue by the Trustee and the Manager on 27 April 2022.

  
.....  
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 25 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 2021**

	Note	2021 HKD	2020 HKD
<b>Income</b>			
Interest income on bank deposits		1,109	150
Dividend income		3,590,872	2,728,316
Net (losses)/gains on financial assets at fair value through profit or loss	5	(30,132,023)	108,159,497
<b>Total income</b>		<u>(26,540,042)</u>	<u>110,887,963</u>
<b>Expenses</b>			
Management fee	7(b)	3,911,582	4,063,226
Trustee fee	7(c)	851,225	882,640
Sub-custodian fee		134,818	146,361
Audit fee		319,009	229,174
Transaction costs	7(e), 9	1,189,925	642,272
Bank charges		31,831	1,985
Legal and professional fees		-	83,496
Other expenses		110,344	46,907
<b>Total operating expenses</b>		<u>6,548,734</u>	<u>6,096,061</u>
<b>(Loss)/profit before tax</b>		<u>(33,088,776)</u>	<u>104,791,902</u>
Withholding taxes	8	(115,052)	(95,511)
<b>(Decrease)/increase in net assets attributable to unitholders from operations</b>		<u><u>(33,203,828)</u></u>	<u><u>104,696,391</u></u>

The notes on pages 11 to 25 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 2021**

	Note	2021 HKD	2020 HKD
<b>Net assets attributable to unitholders at beginning of the year</b>		317,443,975	226,296,377
Proceeds from units issued		233,891,352	230,100
Redemption of units		(283,737,763)	(13,778,893)
Net decrease from unit transactions		(49,846,411)	(13,548,793)
(Decrease)/increase in net assets attributable to unitholders from operations		(33,203,828)	104,696,391
<b>Net assets attributable to unitholders at end of the year</b>	6	<u>234,393,736</u>	<u>317,443,975</u>
		<b>Number of redeemable units</b>	
		<b>2021</b>	<b>2020</b>
<b>Units in issue at beginning of the year</b>		25,342,900.239	26,487,827.835
Issue of units during the year		18,028,011.289	20,155.175
Redemption of units during the year		(21,113,762.905)	(1,165,082.771)
<b>Units in issue at end of the year</b>		<u>22,257,148.623</u>	<u>25,342,900.239</u>

The notes on pages 11 to 25 are an integral part of these financial statements.

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

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 HKD	2020 HKD
<b>Cash flows from operating activities</b>		
(Decrease)/increase in net assets attributable to unitholders from operations	(33,203,828)	104,696,391
Adjustment for:		
Dividend income	(3,590,872)	(2,728,316)
Interest income	(1,109)	(150)
Withholding taxes	115,052	95,511
	<u>(36,680,757)</u>	<u>102,063,436</u>
<b>Operating cash flows before working capital changes</b>		
<b>Change in operating assets and liabilities</b>		
Decrease/(increase) in financial assets at fair value through profit or loss	126,287,105	(98,209,215)
Increase in prepayment	-	(34,501)
Decrease in due from brokers	-	240,673
Increase in management fee payable	244,505	95,988
Increase in trustee fee payable	55,054	18,990
Decrease in due to brokers	(427,537)	(5,191,009)
Increase in accrued expense and other payables	83,806	28,749
	<u>89,562,176</u>	<u>(986,889)</u>
<b>Cash generated from/(used in) operating activities</b>		
Interest received	1,109	150
Dividend received	3,534,908	2,758,316
Withholding taxes paid	(115,052)	(95,511)
	<u>92,983,141</u>	<u>1,676,066</u>
<b>Net cash from operating activities</b>		
<b>Cash flows from financing activities</b>		
Proceeds from units issued	233,891,352	230,100
Redemption of units	(283,737,763)	(13,778,893)
	<u>(49,846,411)</u>	<u>(13,548,793)</u>
<b>Net cash used in financing activities</b>		
<b>Net increase/(decrease) in cash and cash equivalents</b>	43,136,730	(11,872,727)
Cash and cash equivalents at beginning of the year	10,092,801	21,965,528
<b>Cash and cash equivalents at end of the year</b>	<u>53,229,531</u>	<u>10,092,801</u>

The notes on pages 11 to 25 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 and is required to comply with the Code on Unit Trusts and Mutual Funds issued by SFC.

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 2021. 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 prepared for the Sub-Fund only. 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 2021**

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2021 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 2021 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 2021, 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. Consequently, all investments are measured at fair value through profit or loss.

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 (losses)/gains 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. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Sub-Fund utilises the last bid price for financial assets. 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) Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less.

##### **(d) Due from and due to brokers**

Amounts 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.

##### **(e) Accrued expenses**

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

##### **(f) Income**

Interest income 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.

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

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

**(g) Expenses**

All expenses are accounted for on an accrual basis and are charged to the statement of comprehensive income.

**(h) 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.

**(i) Taxation**

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

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.

**(j) 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 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.



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

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

**(j) Foreign currency translation (Continued)**

**(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)".

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 (losses)/gains on financial assets at fair value through profit or loss".

**(k) 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.

**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 Sub-Fund uses different methods to measure and manage the various types of risk to which it is exposed. These methods are explained below.

**(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:

	2021 HKD	2020 HKD
<b>Financial assets at fair value through profit or loss</b>		
Listed equities	182,213,940	308,501,045
	<u>182,213,940</u>	<u>308,501,045</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>2021</u>		<u>2020</u>	
	HKD	% of net asset value	HKD	% of net asset value
Basic Materials	5,083,340	2.17	6,290,220	1.98
Communications	21,183,600	9.04	70,207,000	22.12
Consumer, Cyclical	34,488,960	14.71	35,905,500	11.31
Consumer, Non-cyclical	3,134,650	1.34	128,314,250	40.42
Financial	33,529,980	14.30	51,479,925	16.22
Industrial	10,272,180	4.38	11,183,150	3.52
Technology	32,580,900	13.90	-	-
Utilities	8,242,200	3.52	5,121,000	1.61
Real Estate	4,830,000	2.06	-	-
Health Care	26,312,660	11.23	-	-
Energy	2,555,470	1.09	-	-
<b>Grand Total</b>	<u>182,213,940</u>	<u>77.74</u>	<u>308,501,045</u>	<u>97.18</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 2021, 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% (2020: 10%), the Sub-Fund's pre-tax profits for the year would have resulted in an increase/decrease of HKD18,221,394 (2020: HKD30,850,105).

**(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 2021 and 2020, interest rate risk arises from cash and cash equivalents. As interest from these interest bearing assets are short term in nature and 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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**3 Financial risk management (Continued)**

**(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 2021 and 2020, 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.

**(d) Credit and counterparty risk**

Credit and counterparty risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

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

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

**As at 31 December 2021**

	HKD	Credit rating	Source of credit rating
<b>Investments</b>			
Citibank, N.A.	182,213,940	A+	Standard & Poor's
<b>Cash and cash equivalents</b>			
Citibank, N.A.	28,228,695	A+	Standard & Poor's
Bank of Communications Co. Ltd HK Branch <sup>1</sup>	25,000,836	A-	Standard & Poor's

**As at 31 December 2020**

	HKD	Credit rating	Source of credit rating
<b>Investments</b>			
Citibank, N.A.	308,501,045	A+	Standard & Poor's
<b>Cash and cash equivalents</b>			
Citibank, N.A.	10,092,801	A+	Standard & Poor's

<sup>1</sup> Credit rating of its ultimate holding company Bank of Communications Co., Ltd. is used.

**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)**

All the Sub-Fund's investments and cash and cash equivalents 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.

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. As at 31 December 2021 and 2020, all dividend receivable, due from brokers and cash and cash equivalents can be realised within one to three months. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

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 protect 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 2021, there were 2 (2020: 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 2021</b>	
Management fee payable	629,635
Trustee fee payable	138,009
Accrued expenses and other payables	372,556
	<hr/>
<b>Contractual cash outflow</b>	<b>1,140,200</b>
	<hr/> <hr/>

**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)**

	Less than 3 months HKD
<b>As at 31 December 2020</b>	
Management fee payable	385,130
Trustee fee payable	82,955
Due to brokers	427,537
Accrued expenses and other payables	288,750
<b>Contractual cash outflow</b>	<u><u>1,184,372</u></u>

The Sub-Fund manages its liquidity risk by investing in securities that it expects to be able to liquidate within 3 months or less. The following table illustrates the expected liquidity of assets held:

	Less than 3 months HKD
<b>As at 31 December 2021</b>	
Total assets	<u><u>235,533,936</u></u>
<b>As at 31 December 2020</b>	
Total assets	<u><u>318,628,347</u></u>

**(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 that the Sub-Fund can access at the measurement date;
- 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 2021 and 2020 respectively:

	Level 1 HKD	Level 2 HKD	Level 3 HKD (Note i)	Total HKD
<b>As at 31 December 2021</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Listed equities	182,213,940	-	-	182,213,940
	<u>182,213,940</u>	<u>-</u>	<u>-</u>	<u>182,213,940</u>
<b>Total assets</b>	<u>182,213,940</u>	<u>-</u>	<u>-</u>	<u>182,213,940</u>
<b>As at 31 December 2020</b>				
<b>Assets</b>				
Financial assets at fair value through profit or loss				
- Listed equities	308,501,045	-	-	308,501,045
	<u>308,501,045</u>	<u>-</u>	<u>-</u>	<u>308,501,045</u>
<b>Total assets</b>	<u>308,501,045</u>	<u>-</u>	<u>-</u>	<u>308,501,045</u>

Investments whose values are based on quoted market prices in active markets, and are therefore classified within level 1. 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 but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2. These included quoted debt securities. The quotes are periodically reviewed by the Manager.

**Note i:**

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2021 and 31 December 2020, the Sub-Fund held one equity investment which was suspended for trading due to pending in issuing audited financial statements of the investing company and such investment was suspended for trading since 30 March 2015. The Manager based on their best estimation and with the consent of the Trustee had marked down the fair value of the investment to zero value on 8 June 2017. The fair value of the investment remained as zero and has been classified as level 3 investments as at 31 December 2021 and 31 December 2020. According to an announcement issued by the Stock Exchange of Hong Kong Limited dated 24 January 2020, such investment was delisted from the Stock Exchange of Hong Kong Limited with effect from 30 January 2020.

For the year ended 31 December 2021 and 2020, there were no transfers between levels.



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

(A Sub-fund of BOCOM International Fund)

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

#### **3 Financial risk management (Continued)**

##### **(g) Capital risk management**

The capital of the Sub-Fund is represented by the net assets attributable to unitholders. The Sub-Fund strives 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; and
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders.

#### **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 cash and cash equivalents and prepayment, are categorised as "loans and receivables".

##### Financial liabilities

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

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

	2021 HKD	2020 HKD
Net realised gains on sale of financial assets at fair value through profit or loss	68,029,744	8,467,160
Change in unrealised gains/losses of financial assets at fair value through profit or loss	(98,161,767)	99,692,337
	<u>(30,132,023)</u>	<u>108,159,497</u>

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

As at 31 December 2021 and 2020, the Sub-Fund issued one class of units.

The movements of the redeemable units are disclosed in the statement of changes in net assets attributable to unitholders.

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

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

	Number of units outstanding	Net asset value per unit HKD
<b>At 31 December 2021</b>	<u>22,257,148.623</u>	<u>10.531</u>
<b>At 31 December 2020</b>	<u>25,342,900.239</u>	<u>12.525</u>

**7 Transactions with related parties or connected persons**

The following is a summary of transactions entered into during the year between the Sub-Fund and its related parties including the Manager, Trustee and their connected persons. Connected persons are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities and Futures Commission of Hong Kong. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with the connected persons except for those disclosed below.

All transactions were entered into during the year between the Sub-Fund and the Manager, Trustee and their connected persons were carried out in the ordinary course of business and on normal commercial terms.

**(a) Bank balances and investments**

Bank balances deposited at 31 December 2021 and 2020 and interest income earned during the year on these bank balances are summarised below.

Bank balances are maintained with Bank of Communications Co. Ltd HK Branch, the ultimate holding company of the Manager and the Trustee:

	2021 HKD	2020 HKD
Bank balances deposited	<u>25,000,836</u>	<u>-</u>
Interest income earned	<u>1,109</u>	<u>-</u>

**(b) Management fee**

The Manager is entitled to receive a management fee calculated at the annual rate of 1.5% (2020: 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 HKD3,911,582 (2020: HKD4,063,226). As at 31 December 2021, the Sub-Fund has management fee payable to the Manager of HKD629,635 (2020: HKD385,130).



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

**NOTES TO THE FINANCIAL STATEMENTS**

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

**(c) 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 (2020: 0.30% to 0.35% per annum) and subject to a minimum annual fee of HKD350,000, which is accrued daily and is payable monthly in arrears.

The table below summarises the trustee fees and trustee fee payable by Sub-Fund as at 31 December 2021 and 31 December 2020:

	2021 HKD	2020 HKD
Trustee fee	<u>851,225</u>	<u>882,640</u>
Trustee fee payable	<u>138,009</u>	<u>82,955</u>

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

The holdings in the Sub-Fund by the connected persons of the Manager and the Trustee as at 31 December 2021 and 31 December 2020 were as follows.

Units held by BOCOM International Holdings Company Limited, the parent company of the Manager and the Trustee:

	Units outstanding at 1 January 2021	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2021
<u>2021</u>	<u>4,000,000.00</u>	<u>13,989,892.75</u>	<u>-</u>	<u>17,989,892.75</u>
	Units outstanding at 1 January 2020	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2020
<u>2020</u>	<u>4,000,000.00</u>	<u>-</u>	<u>-</u>	<u>4,000,000.00</u>

Units held by BOCOM International Global Investment Limited, a subsidiary of the Manager:

	Units outstanding at 1 January 2021	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2021
<u>2021</u>	<u>20,400,624.971</u>	<u>-</u>	<u>(20,400,624.971)</u>	<u>-</u>
	Units outstanding at 1 January 2020	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2020
<u>2020</u>	<u>21,401,515.392</u>	<u>-</u>	<u>(1,000,890.421)</u>	<u>20,400,624.971</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**

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

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

Units held by directors of the Manager:

	Units outstanding at 1 January 2021	Increase resulting from director appointments during the year	Units subscribed during the year	Units redeemed during the year	Decrease resulting from director cessations during the year	Units outstanding at 31 December 2021
<b>2021</b>	<u>50,000.00</u>	<u>17,550.02</u>	<u>15,002.63</u>	<u>-</u>	<u>(50,000.00)</u>	<u>32,552.65</u>
	Units outstanding at 1 January 2020	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2020		
<b>2020</b>	<u>50,000.00</u>	<u>-</u>	<u>-</u>	<u>50,000.00</u>		

**(e) Brokerage fee**

During the years ended 31 December 2021 and 2020, the Sub-Fund utilizes the brokerage services of BOCOM International Securities Limited, the fellow subsidiary of the Manager and the Trustee. Details of transactions effected through this company are as follows:

	2021 HKD	2020 HKD
Total aggregate value of such transactions for the year	91,683,332	33,687,785
Percentage of such transactions in value to total transactions for the year	17.16%	11.1%
Total commission paid for the year	110,271	40,922
Average rate of commission	0.12%	0.12%

**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.

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

**NOTES TO THE FINANCIAL STATEMENTS**

**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 the general tax provision of PRC Corporate Income Tax Law ("PRC CIT Law"), the non-PRC residents with no place of effective management, establishment or place of business in the PRC may be subject to 10% PRC withholding income tax ("WIT") on the capital gain derived from disposal of securities, unless exempt or reduced under current PRC tax laws and regulations or relevant 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 Transaction costs**

Transaction costs include brokerage and commission fee for the purchases and sales of investments. The transaction costs charged for the year ended 31 December 2021 amounted to HKD1,189,925 (2020: HK642,272). Refer to Note 7(e) for details.

**10 Soft commission arrangements**

During the year, 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.

**11 Distribution to unitholders**

The Sub-Fund did not make any distribution during the year ended 31 December 2021 and 2020.

**12 Approval of financial statements**

The financial statements were approved by the Trustee and the Manager on 27 April 2022.

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

**INVESTMENT PORTFOLIO (UNAUDITED)**  
**AS AT 31 DECEMBER 2021**

Investments (77.74%)	Holdings	Fair Value HKD	% of Net assets
<b>Equity securities (77.74%)</b>			
<b>Listed in Hong Kong</b>			
AIA GROUP LTD	109,800	8,630,280	3.68%
ALIBABA GROUP HOLDING LTD	51,000	6,058,800	2.58%
ANTA SPORTS PRODUCTS LTD	75,000	8,760,000	3.74%
BOSIDENG INTL HLDGS LTD	472,000	2,303,360	0.98%
BYD ELECTRONIC INT	41,000	1,166,450	0.50%
CHINA ANIMAL HEALTHCARE LTD	270,000	-	0.00%
CHINA CONSTRUCTION BANK-H	2,100,000	11,340,000	4.84%
CHINA INTERNATIONAL CAPITA-H	250,000	5,362,500	2.29%
CHINA LONGYUAN POW	90,000	1,636,200	0.70%
CHINA MENGNIU DAIRY CO	71,000	3,134,650	1.34%
CHINA MOBILE LTD	238,000	11,138,400	4.75%
CHINA NATIONAL BUILDING MA-H	114,000	1,089,840	0.46%
CHINA SUNTIEN GREEN ENERGY-H	421,000	2,555,470	1.09%
COWELL E HOLDINGS INC	160,000	2,102,400	0.90%
DONGFANG ELECTRIC CORPORATION LIMITED	251,000	3,283,080	1.40%
ENN ENERGY HOLDINGS LTD	45,000	6,606,000	2.82%
EVER SUNSHINE LIFESTYLE SERVICES GROUP LTD	250,000	2,995,000	1.28%
FLAT GLASS GROUP CO LTD-H	123,000	4,864,650	2.08%
GANFENG LITHIUM CO LTD-H	32,600	3,993,500	1.70%
HONG KONG EXCHANGES & CLEAR	18,000	8,197,200	3.50%
HUA HONG SEMICONDUCTOR LTD	153,000	6,548,400	2.79%
KINGBOARD LAMINATES HLDG LTD	150,000	1,986,000	0.85%
LI NING CO LTD	26,000	2,215,200	0.95%
LONGFOR GROUP HOLDINGS LIMITED	50,000	1,835,000	0.78%
MEITUAN-CLASS B	10,000	2,254,000	0.96%
PHARMARON BEIJING CO LTD	100,000	12,030,000	5.13%
SHENZHOU INTERNATIONAL GROUP	7,500	1,120,500	0.48%
SINOTRUK HONG KONG LTD	195,000	2,336,100	1.00%
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	30,000	7,398,000	3.16%
TECHTRONIC INDUSTRIES CO LTD	30,000	4,653,000	1.98%
TENCENT HOLDINGS LTD	22,000	10,045,200	4.28%
TRAVELSKY TECHNOLOGY LTD-H	650,000	8,515,000	3.63%
VESYNC CO LTD	730,000	6,913,100	2.95%
WUXI APPTec CO LTD-H	16,700	2,251,160	0.96%
WUXI BIOLOGICS CAYMAN INC	130,000	12,031,500	5.14%
ZHONGSHENG GROUP HOLDINGS LTD	80,000	4,864,000	2.08%
<b>Total investments</b>		182,213,940	77.74%
<b>Other net assets</b>		52,179,796	22.26%
<b>Total net assets as at 31 December 2021</b>		234,393,736	100%
<b>Total Investments at cost</b>		155,905,310	

**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 2021**

Investments (77.74%)	2020	Holdings/principal			2021
		Additions	Corporate Actions	Disposals	
<b>Equities</b>					
AAC TECHNOLOGIES HOLDING INC	33,000	-	-	33,000	-
AIA GROUP LTD	-	109,800	-	-	109,800
ALIBABA GROUP HOLDING LTD	65,000	31,000	-	45,000	51,000
A-LIVING SMART CITY SERVICES CO LTD	200,000	-	-	200,000	-
ALUMINUM CORP OF CHINA LTD	1,244,000	210,000	-	1,454,000	-
ANTA SPORTS PRODUCTS LTD	100,000	-	-	25,000	75,000
AUSNUTRIA DAIRY CORP LTD	550,000	-	-	550,000	-
BOSIDENG INTL HLDGS LTD	-	472,000	-	-	472,000
BYD ELECTRONIC INT	-	41,000	-	-	41,000
CANSINO BIOLOGICS INC	109,600	6,000	-	115,600	-
CHINA ANIMAL HEALTHCARE LTD	270,000	-	-	-	270,000
CHINA CONSTRUCTION BANK-H	-	3,100,000	-	1,000,000	2,100,000
CHINA FEIHE LTD	300,000	80,000	-	380,000	-
CHINA INTERNATIONAL CAPITA-H	400,000	-	-	150,000	250,000
CHINA LONGYUAN POW	-	90,000	-	-	90,000
CHINA MENGNIU DAIRY CO	-	71,000	-	-	71,000
CHINA MOBILE LTD	-	238,000	-	-	238,000
CHINA NATIONAL BUILDING MA-H	-	114,000	-	-	114,000
CHINA SUNTIEN GREEN ENERGY-H	-	421,000	-	-	421,000
CHINA YUHUA EDUCATION CORP LTD	1,352,000	-	-	1,352,000	-
COWELL E HOLDINGS INC	-	160,000	-	-	160,000
DONGFANG ELECTRIC CORPORATION LIMITED	-	251,000	-	-	251,000
ENN ENERGY HOLDINGS LTD	45,000	-	-	-	45,000
EVER SUNSHINE LIFESTYLE SERVICES GROUP LTD	796,000	-	-	546,000	250,000
FLAT GLASS GROUP CO LTD-H	-	123,000	-	-	123,000
GANFENG LITHIUM CO LTD-H	-	32,600	-	-	32,600
GREAT WALL MOTOR CO LTD	270,000	90,000	-	360,000	-
HONG KONG EXCHANGES & CLEAR	-	18,000	-	-	18,000
HOPE EDUCATION GROUP CO LTD	1,800,000	-	-	1,800,000	-
HUA HONG SEMICONDUCTOR LTD	-	153,000	-	-	153,000
JD.COM.INC	19,000	1,000	-	20,000	-
JIUMAOJIU INTERNATIONAL HOLDINGS LTD	180,000	-	-	180,000	-
KINGBOARD LAMINATES HLDG LTD	-	150,000	-	-	150,000
LI NING CO LTD	-	26,000	-	-	26,000
LONGFOR GROUP HOLDINGS LIMITED	-	50,000	-	-	50,000
MEITUAN-CLASS B	75,000	-	-	65,000	10,000
PHARMARON BEIJING CO LTD	215,200	10,000	-	125,200	100,000
PING AN INSURANCE GROUP CO	151,500	-	-	151,500	-
Q TECHNOLOGY GROUP CO LTD	300,000	-	-	300,000	-
SHENZHOU INTERNATIONAL GROUP	-	7,500	-	-	7,500
SHIMAO GROUP HOLDINGS LTD	130,000	-	-	130,000	-
SINO BIOPHARMACEUTICAL	1,074,000	1,481,000	-	2,555,000	-
SINOTRUK HONG KONG LTD	-	200,000	-	5,000	195,000

**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 2021**

Investments	2020	Holdings/principal			2021
		Additions	Corporate Actions	Disposals	
<b>Equities</b>					
SITC INTERNATIONAL HOLDINGS	230,000	100,000	-	330,000	-
SMOORE INTERNATIONAL HOLDING	202,000	-	-	202,000	-
SUN ART RETAIL GROUP LTD	500,000	-	-	500,000	-
SUNAC CHINA HOLDINGS LTD	180,000	-	-	180,000	-
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	-	39,000	-	9,000	30,000
TECHTRONIC INDUSTRIES CO LTD	-	30,000	-	-	30,000
TENCENT HOLDINGS LTD	47,000	5,000	-	30,000	22,000
TIANLI EDUCATION INTERNATIONAL HOLDINGS LTD	207,000	-	-	207,000	-
TRAVELSKY TECHNOLOGY LTD-H	610,000	50,000	-	10,000	650,000
VESYNC CO LTD	-	730,000	-	-	730,000
WUXI APPTec CO LTD-H	-	15,300	1,400	-	16,700
WUXI BIOLOGICS CAYMAN INC	169,500	6,500	-	46,000	130,000
YIHAI INTERNATIONAL HOLDING LTD	41,000	-	-	41,000	-
ZHONGSHENG GROUP HOLDINGS LTD	150,000	-	-	70,000	80,000
ZHUZHOU CRRC TIMES ELETRIC CO LTD	58,000	-	-	58,000	-
ZIJIN MINING GROUP CO LTD	330,000	30,000	-	360,000	-

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

**PERFORMANCE TABLE (UNAUDITED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

**Net asset values**

	Dealing Net asset value of the Sub- Fund HKD	Dealing Net asset value per unit HKD
At 31 December 2021 (Dealing NAV)	<u>234,393,736</u>	<u>10.531</u>
At 31 December 2020 (Dealing NAV)	<u>317,443,975</u>	<u>12.525</u>
At 31 December 2019 (Dealing NAV)	<u>226,296,377</u>	<u>8.543</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 2021	<u>16.162</u>	<u>10.224</u>
Year ended 31 December 2020	<u>12.525</u>	<u>7.334</u>
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>

