

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

SEMI-ANNUAL REPORT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2022

BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND

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MANAGEMENT AND ADMINISTRATION

Manager

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

Directors of the Manager

XI Xuanhua
LI Wu

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

KPMG
8th Floor, Prince's Building
10 Chater Road, Central
Hong Kong

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REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

The downtrend continued during the first half of 2022. After a slight hike, Hong Kong stock market was hit by the US rate hike and Ukraine-Russia war in February and March, and then by the quarantine policy of Shanghai in April. Heng Seng Index suffered from 27.2% drawdown in the first quarter reaching the bottom 18235.48 in mid-March, and started to rebound in early May due to the termination of tight quarantine policy in Shanghai. Heng Seng Index gained -4.82% during the first half of this year eventually. By sector, energy sector outperformed a lot due to the ban on export of Russian oil and gas, and consumer discretionary sector, such as auto supply chain, rebounded the most in May and June.

Portfolio Review

During the first half of 2022, the sub-fund recorded a -13.19% total return, which underperformed Hang Seng Index by 8.37 percentage points. The primary reason is that the portfolio was of heavy position on growth sectors at the very beginning. We adjusted the holdings in February and March to make it more balanced. Looking forward to second half of 2022, we see both opportunities and risks. On one hand, US rate hike and energy shortage are expected to go on, and geopolitics will also continuously disturb global supply chain which may cause severe global recession. However, on the other hand, we also expect more stimulus policies in China including easier monetary policy and more infrastructure construction. During the second half of 2022, we shall keep the portfolio being balanced on the whole, and pay more attention to energy and new infrastructure related sectors.

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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2022

	30 Jun 2022 HKD	31 Dec 2021 HKD
Assets		
Financial assets at fair value through profit or loss	178,258,552	182,213,940
Dividend receivable	2,745,116	55,964
Prepayment	34,501	34,501
Cash and cash equivalents	20,754,058	53,229,531
Total assets	201,792,227	235,533,936
Liabilities		
Management fee payable	245,280	629,635
Trustee fee payable	54,779	138,009
Withdrawal payables	145,712	-
Accrued expenses and other payables	512,755	372,556
Total liabilities	958,526	1,140,200
Equity		
Net assets attributable to unitholders	200,833,701	234,393,736

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STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Note	For the six Months ended 30 Jun 2022 HKD	For the six Months ended 30 Jun 2021 HKD
Income			
Interest income		855	72
Dividend income		4,720,822	1,333,876
Net (losses)/gains on financial assets at fair value through profit or loss		(32,396,107)	45,679,728
		<hr/>	<hr/>
Total income		(27,674,430)	47,013,676
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Expenses			
Management fee	2(a)	1,530,394	1,967,228
Trustee fee	2(b)	340,435	427,075
Sub-custodian fee		49,426	61,890
Audit fee		125,322	125,321
Transaction costs	2(c)	640,858	617,553
Bank charges		479	12,285
Legal and professional fees		262,733	-
Other expenses		15,090	15,030
		<hr/>	<hr/>
Total operating expenses		2,964,737	3,226,382
		<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
(Loss)/ Profit before tax		(30,639,167)	43,787,294
Withholding taxes		(290,108)	(34,273)
		<hr/>	<hr/>
(Decrease)/ Increase in net assets attributable to unitholders from operations		(30,929,275)	43,753,021
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BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
(UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	HKD units		
	<i>Number of units</i>	<i>Net assets attributable to unitholders HKD</i>	<i>Net asset value per unit HKD</i>
As at 1 January 2021	25,342,900.239	317,443,975	12.525
Issuance of units	9,380,225.442	125,429,605	
Redemption of units	(18,197,059.731)	(247,007,843)	
Total comprehensive income	-	43,753,021	
As at 30 June 2021	<u>16,526,065.950</u>	<u>239,618,758</u>	14.499
As at 1 January 2022	22,257,148.623	234,393,736	10.531
Issuance of units	-	-	
Redemption of units	(290,995.960)	(2,630,760)	
Total comprehensive income	-	(30,929,275)	
As at 30 June 2022	<u>21,966,152.663</u>	<u>200,833,701</u>	9.142

BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND

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

1. Basis of preparation and accounting policies

The unaudited interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2021, 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 2021. Other amendments to HKFRS effective for the financial year ended 31 December 2022 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 at 1.5% (2021: 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 six months ended 30 June 2022 amounted to HKD1,530,394 (2021: HKD1,967,228). As at 30 June 2022, the fund has management fee payable to the Manager of HKD245,280 (2021: HKD289,859).

(b) Trustee fee

The Trustee of the fund is entitled to a fee payable monthly in arrears calculated as 0.30% to 0.35% per annum (2021: 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 six months ended 30 June 2022 amounted to HKD340,435 (2021: HKD427,075). As at 30 June 2022, trustee fee payable to the Trustee is HKD54,779 (2021: HKD63,725).

BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2022

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

(c) Brokerage fee paid to connected persons of the Manager

During the period, the total brokerage commission paid to BOCOM International Securities Limited is listed as follows:

	Aggregate value of purchase and sales of securities HKD	Total commission paid HKD	% of Sub- Fund's total transactions during the year %	Average commission rate %
For the six months ended 30 Jun 2022				
BOCOM International Securities Limited	49,314,616	59,243	18.06	0.12
For the six months ended 30 Jun 2021				
BOCOM International Securities Limited	52,744,071	63,555	18.06	0.12

(d) Transactions with the Manager's parent company

As at 30 Jun 2022, BOCOM International Holdings Company Limited, the holding company of the Manager, held 17,989,892.747 units (2021: 10,804,264 units) in the fund.

(e) Transactions with the Manager's subsidiary

As at 30 Jun 2022, BOCOM International Global Investment Limited, a subsidiary of the Manager, held Nil units (2021: 2,699,313.895units) in the fund.

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 2022.

4. Borrowings

The fund did not make any borrowings during the six months ended 30 June 2022.

BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND

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

5. Contingent liabilities and commitments

The fund did not have any contingent liabilities and commitments during the six months ended 30 June 2022

6. Distribution to unitholders

The fund did not make any distribution during the six months ended 30 June 2022

7. Details on units/shares

	Net assets value HKD	Number of units outstanding	Net asset value per unit HKD
At 30 June 2022	<u>200,833,701</u>	<u>21,966,152.663</u>	<u>9.142</u>
At 31 December 2021	<u>234,393,736</u>	<u>22,257,148.623</u>	<u>10.531</u>

8. 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 2022

Investments (88.78%)	Holdings	Fair Value HKD	% of Net Asset
Equity securities (84.48%)			
Listed in Hong Kong			
AIA Group Ltd	75,000	6,375,000	3.17%
Air China Ltd	684,000	4,658,040	2.32%
Alibaba Group Holding Ltd	35,000	3,916,500	1.95%
ANTA Sports Products Ltd	70,000	6,748,000	3.36%
BOC Hong Kong Holdings Ltd	150,000	4,642,500	2.31%
China Animal Healthcare Ltd	270,000	0	0.00%
China Construction Bank Corp	2,100,000	11,046,000	5.50%
China International Capital Corp Ltd	250,000	4,180,000	2.08%
China Longyuan Power Group Corp Ltd	200,000	3,032,000	1.51%
China Mobile Ltd	249,500	12,225,500	6.09%
China National Building Material Co Ltd	260,000	2,178,800	1.08%
China Telecom Corp Ltd	4,000,000	10,680,000	5.32%
Cifi Ever Sunshine Services Ltd	200,000	2,000,000	1.00%
COFCO Joycome Foods Ltd	750,000	2,842,500	1.42%
Dali Foods Group Co Ltd	400,000	1,668,000	0.83%
ENN Energy Holdings Ltd	45,000	5,800,500	2.89%
Great Wall Motor Co Ltd	220,000	3,550,800	1.77%
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	132,000	3,036,000	1.51%
HK Electric Investments & HK Electric Investments Ltd	500,000	3,600,000	1.79%
Hong Kong Exchanges & Clearing Ltd	14,000	5,404,000	2.69%
HSBC Holdings PLC	100,000	5,165,000	2.57%
Industrial & Commercial Bank of China Ltd	2,300,000	10,695,000	5.33%
JD.com Inc	10,047	2,539,882	1.26%
Jiumaojiu International Holdings Ltd	111,000	2,308,800	1.15%
L'Occitane International SA	100,000	2,450,000	1.22%
Meituan	10,000	1,942,000	0.97%
Pharmaron Beijing Co Ltd	68,800	5,393,920	2.69%
Pharmaron Beijing Co Ltd - Bonus	34,400	2,696,960	1.34%
Sinopharm Group Co Ltd	120,000	2,282,400	1.14%
Sun Hung Kai Properties Ltd	65,000	6,015,750	3.00%
Tencent Holdings Ltd	20,000	7,088,000	3.53%
TravelSky Technology Ltd	650,000	9,880,000	4.92%
Tsingtao Brewery Co Ltd	32,000	2,611,200	1.30%
Wuxi Biologics Cayman Inc	60,000	4,308,000	2.15%
Xinyi Solar Holdings Ltd	230,000	2,783,000	1.39%
Zhongsheng Group Holdings Ltd	70,000	3,874,500	1.93%

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Other Investments (4.30%)

Listed in Hong Kong

Link Real Estate Investment Trust	135,000	8,640,000	4.30%
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Total investments	178,258,552	88.78%
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Other net assets	22,575,149	11.22%
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Total net assets as at 30 June 2022	200,833,701	100.00%
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(after amortization of establishment costs)	200,833,701	100.00%
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Total investments at cost	162,683,234	
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2022

Investments	31 December	Holdings		30 June
	2021	Additions	Disposals	2022
AIA Group Ltd	109,800	105,200	140,000	75,000
Air China Ltd	-	1,500,000	816,000	684,000
Alibaba Group Holding Ltd	51,000	51,300	67,300	35,000
Aluminum Corporation of China Ltd	-	376,000	376,000	
ANTA Sports Products Ltd	75,000	-	5,000	70,000
BOC Hong Kong Holdings Ltd	-	150,000	-	150,000
Bosideng International Holdings Ltd	472,000	-	472,000	-
BYD Co Ltd	-	7,000	7,000	-
BYD Electric International Co Ltd	41,000	-	41,000	-
China Animal Healthcare Ltd	270,000	-	-	270,000
China Construction Bank Corp	2,100,000	-	-	2,100,000
China East Education Holdings Ltd	-	450,000	450,000	-
China International Capital Corp Ltd	250,000	-	-	250,000
China Longyuan Power Group Corp Ltd	90,000	110,000	-	200,000
China Mengniu Dairy Co Ltd	71,000	19,000	90,000	-
China Mobile Ltd	238,000	11,500	-	249,500
China National Building Material Co Ltd	114,000	146,000	-	260,000
China Resources Beer Holdings Co Ltd	-	70,000	70,000	-
China Resources Mixc Lifestyle Services Ltd	-	43,000	43,000	-
China Resources Pharmaceutical Group Ltd	-	360,000	360,000	-
China Risun Group Ltd	-	460,000	460,000	-
China Suntien Green Energy Corp Ltd	421,000	29,000	450,000	-
China Telecom Corp Ltd	-	4,000,000		4,000,000
CIFI Ever Sunshine Services Group Ltd	250,000	-	50,000	200,000
COFCO Joycome Foods Ltd	-	800,000	50,000	750,000
Cowell e Holdings Inc	160,000	-	160,000	-
Dali Foods Group Co Ltd	-	400,000	-	400,000
Dongfang Electric Corp Ltd	251,000	-	251,000	-
ENN Energy Holdings Ltd	45,000	-	-	45,000
Flat Glass Group Co Ltd	123,000		123,000	-
Ganfeng Lithium Co Ltd	32,600	2,400	35,000	-
Great Wall Motor Co Ltd	-	300,000	80,000	220,000
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd	-	132,000	-	132,000
Haidilao International Holding Ltd	-	130,000	130,000	-
Hainan Meilan International Airport Co Ltd	-	100,000	100,000	-
HK Electric Investments & HK Electric Investments Ltd	-	500,000	-	500,000

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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2022

Investments	31 December	Holdings		30 June
	2021	Additions	Disposals	2022
Hong Kong Exchanges & Clearing Ltd	18,000	14,000	18,000	14,000
HSBC Holdings PLC	-	100,000	-	100,000
Hua Hong Semiconductor Ltd	153,000	-	153,000	-
Industrial & Commercial Bank of China Ltd	-	2,300,000	-	2,300,000
JD.com Inc	-	27,047	17,000	10,047
Jiumaojiu International Holdings Ltd	-	111,000	-	111,000
Kingboard Laminates Holdings Ltd	150,000	255,000	405,000	-
L.K. Technology Holdings Ltd	-	90,000	90,000	-
Li Ning Co Ltd	26,000	-	26,000	-
Link Real Estate Investment Trust	-	135,000	-	135,000
L'Occitane International SA	-	100,000	-	100,000
Longfor Group Holdings Ltd	50,000	-	50,000	-
Meituan	10,000	5,000	5,000	10,000
Orient Overseas International Ltd	-	11,000	11,000	-
Pharmaron Beijing Co Ltd	100,000	-	31,200	68,800
Pharmaron Beijing Co Ltd - Bonus	-	34,400	-	34,400
Shandong Gold Mining Co Ltd	-	100,000	100,000	-
Shenzhou International Group Holdings Ltd	7,500	9,500	17,000	-
Sinopharm Group Co Ltd	-	120,000	-	120,000
Sinotruk Hong Kong Ltd	195,000	-	195,000	-
Sun Hung Kai Properties Ltd	-	65,000	-	65,000
Sunny Optical Technology Group Co Ltd	30,000	-	30,000	-
Techtronic Industries Co Ltd	30,000	40,000	70,000	-
Tencent Holdings Ltd	22,000	1,300	3,300	20,000
TravelSky Technology Ltd	650,000	-	-	650,000
Tsingtao Brewery Co Ltd	-	32,000	-	32,000
Vesync Co Ltd	730,000	-	730,000	-
WuXi AppTec Co Ltd	16,700	1,900	18,600	-
Wuxi Biologics Cayman Inc	130,000	-	70,000	60,000
Xinyi Solar Holdings Ltd	-	230,000	-	230,000
Zhongsheng Group Holdings Ltd	80,000	-	10,000	70,000