

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

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

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MANAGEMENT AND ADMINISTRATION

Manager

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

Directors of the Manager

LI Wu
XI Xuanhua

Trustee and Registrar

Bank of Communications Trustee Limited
1/F, Far East Consortium Building
121 Des Voeux Road Central
Central
Hong Kong

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

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REPORT OF THE MANAGER TO THE UNITHOLDERS

Market Review

Hong Kong stock market was under pressure in the first half of 2023. The Hang Seng Total Return index dropped by 2.74% in the first half of 2023 and showed greater volatility, primarily due to rising concerns over growing geopolitical risks, US regional banking crisis, and uncertainty around central bank interest rate decisions. Telecoms and energy which benefited from the high dividend-paying SOEs, greatly outperformed within the 11 GICS sectors. Among the HSI constituents, PetroChina, NetEase, and BYD were the best performers, with gains of 51.82%, 33.28%, and 29.80% respectively. Yet, Country Garden Services, Country Garden, and JD.com were the biggest laggards, with losses of 47.94%, 40.45%, and 39.87% respectively.

Portfolio Review

As of 30 Jun 2023, the fund recorded total return of -9.48%, which underperformed the Hang Seng Index. The main reason is that the fund invested heavily in the companies which were involved in AI industry, but it was also negatively impacted by the traditional business which dragged too much. Looking forward to the second half of 2023, we expect China market to continue recover and US market to decline due to tighter liquidity.

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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2023

	30 Jun 2023 HKD	31 Dec 2022 HKD
Assets		
Financial assets at fair value through profit or loss	154,098,500	176,111,150
Due from brokers	3,457,404	-
Dividend receivable	1,363,504	-
Cash and cash equivalents	7,901,075	2,743,652
Total assets	166,820,483	178,854,802
Liabilities		
Management fee payable	208,064	226,421
Trustee fee payable	46,853	50,851
Redemption payable	-	546,214
Accrued expenses and other payables	465,912	307,720
Total liabilities	720,829	1,131,206
Equity		
Net assets attributable to unitholders	166,099,654	177,723,596

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

	Note	For the six Months ended 30 Jun 2023 HKD	For the six Months ended 30 Jun 2022 HKD
Income			
Interest income on bank deposits		9,680	855
Dividend income		1,542,681	4,720,822
Net (losses)/gains on financial assets at fair value through profit or loss		(15,854,187)	(32,396,107)
Total income		<u>(14,301,826)</u>	<u>(27,674,430)</u>
Expenses			
Management fee	2(a)	(1,344,653)	(1,530,394)
Trustee fee	2(b)	(301,736)	(340,435)
Sub-custodian fee		(34,932)	(49,426)
Audit fee		(158,194)	(125,322)
Transaction costs	2(c),8	(1,573,807)	(640,858)
Bank charges		(1,738)	(479)
Other expenses		-	(277,823)
Total operating expenses		<u>(3,415,060)</u>	<u>(2,964,737)</u>
(Loss)/ Profit before tax		(17,716,886)	(30,639,167)
Withholding taxes		(100,940)	(290,108)
(Decrease)/ Increase in net assets attributable to unitholders from operations		<u>(17,817,826)</u>	<u>(30,929,275)</u>

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

	<i>Number of Units in issue</i>	<i>Net assets attributable to unitholders HKD</i>	<i>Net asset value per unit HKD</i>
As at 1 January 2023	21,912,759.517	177,723,596	8.110
Proceeds from units issued	867,883.590	7,459,459	
Redemption of units	(156,095.576)	(1,265,575)	
Total comprehensive loss	-	(17,817,826)	
As at 30 June 2023	<u>22,624,547.531</u>	<u>166,099,654</u>	7.341
 As at 1 January 2022	 22,257,148.623	 234,393,736	 10.531
Proceeds from units issued	-	-	
Redemption of units	(290,995.960)	(2,630,760)	
Total comprehensive loss	-	(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 2023

1. Basis of preparation and accounting policies

The unaudited interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

The accounting policies and methods of computation applied are consistent with those of the annual financial statements for the year ended 31 December 2022. Other amendments to HKFRS effective for the financial year ended 31 December 2023 are not expected to have a material impact on the Sub-Fund.

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

2. Transactions with related parties or connected persons

Connected Persons of the Manager are those as defined in the Code on Unit Trusts and Mutual Funds established by the Securities & Futures Commission of Hong Kong (the "SFC Code"). All transactions entered into during the period between the Sub-Fund and the Trustee and its affiliates and the Manager and its Connected Persons were carried out in the normal course of business and on normal commercial terms.

(a) Management fee

The Manager is entitled to receive a management fee calculated at 1.5% (2022: 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 2023 amounted to HKD1,344,653 (30 June 2022: HKD1,530,394). As at 30 June 2023, the Sub-Fund has management fee payable to the Manager of HKD208,064 (31 December 2022: HKD226,421).

(b) Trustee fee

The Trustee of the Sub-Fund is entitled to a fee payable monthly in arrears calculated as 0.30% to 0.35% per annum (2022: 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 2023 amounted to HKD301,736 (30 June 2022: HKD340,435). As at 30 June 2023, the Sub-Fund has trustee fee payable to the Trustee is HKD46,853 (31 December 2022: HKD50,851).

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

2. Transactions with related parties or connected persons (Continued)

(c) Brokerage fee

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 period %	Average commission rate %
For the six months ended 30 June 2023	116,663,459	116,666	17.92	0.10
For the six months ended 30 June 2022	49,314,616	59,243	18.06	0.12

(d) Holdings of units of the Sub-Fund

As at 30 June 2023, BOCOM International Holdings Company Limited, the parent company of the Manager, held 17,989,892.747 units (2022: 17,989,892 units) in the Sub-Fund.

3. Soft Dollar arrangements

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

4. Borrowings

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

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

5. Contingent liabilities and commitments

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

6. Distribution to unitholders

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

7. Details on units

	Net assets value HKD	Number of units outstanding	Net asset value per unit HKD
At 30 June 2023	166,099,654	22,624,547.531	7.341
At 31 December 2022	177,723,596	21,912,759.517	8.110

8. Transaction Costs

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognized in the statement of comprehensive income as an expense.

Transaction costs include brokerage and commission fee for the purchases and sales of investments. The transaction costs charged for the period ended 30 June 2023 amounted to HKD 1,573,807 (30 June 2022: HKD 640,858). Refer to Note 2(c) for details.

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 30 JUNE 2023

Investments (92.77%)	Holdings	Fair Value HKD	% of Net Assets
Equity securities (92.77%)			
Listed in Hong Kong			
Aluminum Corp Of China Ltd-H	1,500,000	5,055,000	3.04%
Angelalign Technology Inc	40,000	2,900,000	1.75%
Baidu Inc-Class A	80,000	10,624,000	6.40%
Bilibili Inc-Class Z	40,000	4,668,000	2.81%
China Animal Healthcare Ltd	270,000	-	0.00%
China Communications Services Corporation Limited-H	2,000,000	7,720,000	4.65%
China Construction Bk - H	2,600,000	13,182,000	7.93%
China Education Group Holdin	500,000	3,045,000	1.83%
China Resources Medical Holdings Co Ltd	2,200,000	13,222,000	7.96%
China Railway Construction - H	900,000	5,184,000	3.12%
CNOOC Ltd	1,000,000	11,200,000	6.74%
Guangshen Railway Co Ltd - H	2,500,000	6,200,000	3.73%
Hua Hong Semiconductor Ltd	200,000	5,120,000	3.08%
Huaneng Power Intl Inc	1,500,000	7,350,000	4.43%
Kuaishou Technology	35,000	1,872,500	1.13%
Lenovo Group Ltd	1,500,000	12,240,000	7.37%
Miniso Group Holding Ltd	150,000	4,957,500	2.98%
Netease Inc	40,000	6,100,000	3.67%
New Horizon Health Ltd	110,000	3,008,500	1.81%
NIO INC-Class A	80,000	6,060,000	3.65%
Ping An Insurance Group Co-H	100,000	4,980,000	3.00%
Travelsky Technology Ltd-H	260,000	3,458,000	2.08%
Trip.Com Group Ltd	20,000	5,444,000	3.28%
Xinyi Glass Holdings Co Ltd	600,000	7,320,000	4.41%
Xtep International Holdings Limited	400,000	3,188,000	1.92%
Total investments		154,098,500	92.77%
Other net assets		12,001,154	7.23%
Total net assets as at 30 June 2023		166,099,654	100.00%
Total investments at cost		161,332,533	

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

Investments	31 December	Holdings		30 June
	2022	Additions	Disposals	2023
Equities				
AAC Technologies Holdings Inc	400,000	-	400,000	-
Alibaba Group Holding Ltd	75,000	70,000	145,000	-
Aluminum Corp Of China Ltd - H	-	1,500,000	-	1,500,000
Angelalign Technology Inc	40,000	-	-	40,000
Asiainfo Technologies Ltd	-	80,000	80,000	-
Avichina Industry & Tech - H	-	1,700,000	1,700,000	-
Baidu Inc-Class A	-	120,000	40,000	80,000
Bilibili Inc-Class Z	-	55,000	15,000	40,000
Cansino Biologics Inc - H	-	150,000	150,000	-
China Animal Healthcare Ltd	270,000	-	-	270,000
China Communications Construction Co Ltd	1,000,000	-	1,000,000	-
China Communications Services Corporation Limited - H	-	2,000,000	-	2,000,000
China Construction Bk - H	-	2,600,000	-	2,600,000
China East Education Holdings Ltd	1,000,000	-	1,000,000	-
China Education Group Holdings Ltd	460,000	500,000	460,000	500,000
China Resources Medical Holdings Co Ltd	-	2,400,000	200,000	2,200,000
China Traditional Chinese Medicine Holdings Co Ltd	1,000,000	-	1,000,000	-
Chinasoft International Limited	1,300,000	900,000	2,200,000	-
China Railway Construction - H	-	900,000	-	900,000
CMOC Group Ltd - H	1,200,000	-	1,200,000	-
CNOOC Ltd	-	1,000,000	-	1,000,000
COFCO Joycome Foods Ltd	-	2,400,000	2,400,000	-
COSCO Shipping Holdings Co Ltd - H	500,000	-	500,000	-
Country Garden Holdings Company Limited	1,000,000	-	1,000,000	-
Country Garden Services Holdings Co Ltd	150,000	-	150,000	-
Dongfang Electrical Machinery Co Ltd - H	450,000	-	450,000	-
Dongyue Group	600,000	-	600,000	-
Fit Hon Teng Ltd	-	2,000,000	2,000,000	-
Flat Glass Group Co Ltd-H	250,000	-	250,000	-
Ganfeng Lithium Co Ltd-H	-	150,000	150,000	-
Geely Automobile Holdings Limited	500,000	-	500,000	-
Great Wall Motor Company Limited	-	400,000	400,000	-
Greentown China Holdings Limited	450,000	-	450,000	-
Guangshen Railway Co Ltd - H	-	2,500,000	-	2,500,000
H World Group Ltd	-	150,000	150,000	-
Haidilao International Holding Ltd	300,000	100,000	400,000	-

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

FOR THE SIX MONTHS ENDED 30 JUNE 2023

Investments	31 December	Holdings		30 June
	2022	Additions	Disposals	2023
Equities				
Hong Kong Exchanges and Clearing Ltd	30,000	-	30,000	-
Hua Hong Semiconductor Ltd	150,000	350,000	300,000	200,000
Huaneng Power Intl Inc	-	1,500,000	-	1,500,000
Hutchmed (China) Limited	-	150,000	150,000	-
Ke Holdings Inc	110,000	-	110,000	-
Kingdee International Software Group Co Ltd	800,000	-	800,000	-
Kuaishou Technology	70,000	-	35,000	35,000
KWG Group Holdings Ltd	800,000	3,200,000	4,000,000	-
Lenovo Group Ltd	-	1,500,000	-	1,500,000
Meituan	65,000	90,000	155,000	-
Metallurgical Corporation of China Ltd - H	2,000,000	-	2,000,000	-
Microport Scientific Corp	100,000	-	100,000	-
Miniso Group Holding Ltd	-	150,000	-	150,000
Netease Inc	-	40,000	-	40,000
New Horizon Health Ltd	-	110,000	-	110,000
New Oriental Education & Technology Group Inc	20,000	-	20,000	-
Nexteer Automotive Group Ltd	750,000	-	750,000	-
NIO INC-Class A	-	80,000	-	80,000
Pharmaron Beijing Co Ltd - H	-	100,000	100,000	-
Ping An Insurance Group Co - H	-	100,000	-	100,000
Remegen Co Ltd - H	-	60,000	60,000	-
Semiconductor Manufacturing	-	300,000	300,000	-
Sensetime Group Inc-Class B	-	1,200,000	1,200,000	-
Sun Art Retail Group Ltd	1,500,000	-	1,500,000	-
Sunny Optical Technology Group Co., Limited	-	100,000	100,000	-
Super Hi International Holding Ltd	30,000	-	30,000	-
Tencent Holdings Ltd	-	16,000	16,000	-
Tingyi (Cayman Islands) Holding Corporation	-	400,000	400,000	-
Tongcheng Travel Holdings Limited	-	300,000	300,000	-
Travelsky Technology Ltd - H	250,000	270,000	260,000	260,000
Trip.Com Group Ltd	-	20,000	-	20,000
Uni-President China Holdings	-	600,000	600,000	-
WuXi Biologics (Cayman) Inc	140,000	-	140,000	-
Xiaomi Corp-Class B	-	300,000	300,000	-
Xinyi Glass Holdings Co Ltd	-	600,000	-	600,000
Xtep International Holdings Limited	400,000	-	-	400,000

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

Investments	31 December	Holdings		30 June
	2022	Additions	Disposals	2023
Equities				
Yangtze Optical Fibre And - H	-	250,000	250,000	-
Yihai International Holding	-	130,000	130,000	-
Zai Lab Ltd	-	60,000	60,000	-
Zhongsheng Group Holdings Ltd	100,000	-	100,000	-
Zijin Mining Group Co Ltd - H	-	450,000	450,000	-
ZTE Corp - H	-	400,000	400,000	-