

BOCOM INTERNATIONAL CHINA DYNAMIC FUND
(A Sub-Fund of BOCOM International Fund)

SEMI-ANNUAL REPORT (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2024

BOCOM INTERNATIONAL CHINA DYNAMIC 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

LI Wu
SHENG Jie (Appointed on 10 May 2024)
SU Fen (Appointed on 11 December 2023 and
resigned on 10 May 2024)

Trustee and Registrar

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

PRC Custodian

HSBC Bank (China) Company Limited
33/F, HSBC Building, Shanghai IFC
8 Century Avenue, Pudong
Shanghai

Legal Counsel to the Manager

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

Auditor

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

China A-shares saw modest gains in the first half of 2024. The CSI 300 Index climbed by about 0.89% but experienced significant volatility during the period. The index was trending to the trough in January, while it began to rebound in February, with the peak in May. This rebound was mainly due to a series of supportive economic policies, including interest rate cut, real estate policy, trade-in policy etc. High dividend yield stocks and AI related stocks, continued to outperform. Among the CSI 300 constituents, Foxconn Industrial Internet, Avary Holding and Zhongji Innolight were the best performers, with gains of 81.2%, 80.9%, and 70.4% respectively in the first half of the year, while Zhifei Biological, Walvax Biotechnology and Aiko Solar Energy were the biggest laggards, with losses of 54.1%, 51.6%, and 48.7% respectively.

Portfolio Review

As of 30 Jun 2024, total return of the fund's Class R and Class I was -2.49% and -2.34% respectively. We expect more economic stimulus policies in China and interest rate cut in US.

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STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS AT 30 JUNE 2024

| | 30 Jun | 31 Dec |
|---|---------------|---------------|
| | 2024 | 2023 |
| | RMB | RMB |
| Assets | | |
| Deposit reserve | 15,428 | 17,575 |
| Financial assets at fair value through profit or loss | 25,181,434 | 29,526,350 |
| Interest receivable | 50,555 | 18,947 |
| Cash and cash equivalents | 2,365,873 | 435,207 |
| | 27,613,290 | 29,998,079 |
| | ----- | ----- |
| Liabilities | | |
| Management fee payable | 27,306 | 31,861 |
| Trustee fee payable | 17,705 | 31,595 |
| Sub-custodian fee payable | 2,210 | 2,546 |
| Accrued expenses and other payables | 259,979 | 207,065 |
| | 307,200 | 273,067 |
| | ----- | ----- |
| Net assets attributable to unitholders | 27,306,090 | 29,725,012 |

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STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2024

| | Note | For the six months ended 30 Jun 2024 RMB | For the six months ended 30 Jun 2023 RMB |
|--|------|---|---|
| Income | | | |
| Interest income on bank deposits | | 1,900 | 6,063 |
| Interest income on debt securities | | 31,651 | 45,350 |
| Dividend income | | 296,699 | 439,141 |
| Net (losses)/gains on financial assets at fair value through profit or loss | | (489,149) | 4,141,761 |
| | | (158,899) | 4,632,315 |
| | | (158,899) | 4,632,315 |
| Expenses | | | |
| Management fee | 2(a) | (162,697) | (230,148) |
| Trustee fee | 2(b) | (128,295) | (221,162) |
| Sub-custodian fee | | (6,036) | (8,538) |
| Audit fee | | (95,984) | (102,682) |
| Transaction costs | 8 | (108,401) | (254,666) |
| Bank charges | | (489) | (2,535) |
| Other operating expenses | | (102,355) | (79,268) |
| | | (604,257) | (898,999) |
| | | (604,257) | (898,999) |
| (Loss)/Profit before tax | | (763,156) | 3,733,316 |
| Withholding taxes | | (29,848) | (44,526) |
| | | (793,004) | 3,688,790 |
| (Decrease)/Increase in net assets attributable to unitholders from operations | | (793,004) | 3,688,790 |

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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2024

| | Class R | | | Class I | | | Total |
|--|--------------------------|--|------------------------------|--------------------------|--|------------------------------|--|
| | Number of units in issue | Net assets attributable to unitholders RMB | Net asset value per unit RMB | Number of units in issue | Net assets attributable to unitholders RMB | Net asset value per unit RMB | Net assets attributable to unitholders RMB |
| As at 1 January 2024 | 423,482.764 | 5,074,806 | 11.983 | 2,000,000.000 | 24,650,206 | 12.325 | 29,725,012 |
| Proceeds from units issued | - | - | | - | - | | - |
| Redemption of units | (146,813.148) | (1,625,918) | | - | - | | (1,625,918) |
| Decrease in net assets attributable to unitholders from operations | | (215,796) | | | (577,208) | | (793,004) |
| As at 30 June 2024 | <u>276,669.616</u> | <u>3,233,092</u> | 11.685 | <u>2,000,000.000</u> | <u>24,072,998</u> | 12.036 | <u>27,306,090</u> |
| As at 1 January 2023 | 455,006.879 | 6,223,379 | 13.677 | 2,000,000.000 | 28,050,589 | 14.025 | 34,273,968 |
| Proceeds from units issued | - | - | | - | - | | - |
| Redemption of units | (1,965.600) | (29,445) | | - | - | | (29,445) |
| Increase in net assets attributable to unitholders from operations | | 661,167 | | | 3,027,623 | | 3,688,790 |
| As at 30 June 2023 | <u>453,041.279</u> | <u>6,855,101</u> | 15.131 | <u>2,000,000.000</u> | <u>31,078,212</u> | 15.539 | <u>37,933,313</u> |

BOCOM INTERNATIONAL CHINA DYNAMIC FUND

(A Sub-Fund of BOCOM International Fund)

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2024

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 2023, 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 2023. Other amendments to HKFRS effective for the financial year ended 31 December 2024 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 Renminbi ("RMB"), 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 and accrued on each dealing day and payable monthly in arrears. The Manager currently charges a rate of 1.5% per annum for Class R and 1.2% per annum for Class I.

The management fee charged for the six months ended 30 June 2024 was RMB162,697 (30 June 2023: RMB230,148), of which RMB27,306 (31 December 2023: RMB31,861) was outstanding at 30 June 2024.

(b) Trustee fee

The Trustee is entitled to receive a trustee fee of up to 1% per annum of the net asset value of the Sub-Fund. Currently, the Trustee is entitled to receive a fee of 0.11% (2023: 0.11%) per annum of the net asset value of each class of the Sub-Fund, subject to a monthly minimum fee of RMB31,000 for the Sub-Fund (2023: From RMB62,000 to RMB31,000 for the Sub-Fund effective from 06 Feb 2023) is being reduced to RMB18,000 effective from 19 Feb 2024. The fee is calculated and accrued daily and payable monthly in arrears.

The trustee fee charged for the six months ended 30 June 2024 was RMB128,295 (30 June 2023: RMB221,162), of which RMB17,705 (31 December 2023: RMB31,595) was outstanding at 30 June 2024.

BOCOM INTERNATIONAL CHINA DYNAMIC FUND

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**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

Transactions with related parties or connected persons (Continued)

(c) Cash and Cash equivalents and investments

Cash and cash equivalents of RMB2,365,873 (31 December 2023: RMB435,207) and deposit reserve of RMB15,428 (31 December 2023: RMB17,575) are held with related parties of the Trustee and the Manager. During the period for the six months ended 30 June 2024, the Sub-Fund recognised interest income of RMB1,900 (30 June 2023: RMB6,063) and bank charges of RMB489 (30 June 2023: RMB2,535) from the cash and cash equivalents and deposit reserve held with related parties of the Trustee and the Manager.

(d) Holdings of units of the Sub-Fund

The holdings of units of the Sub-Fund by the connected persons of the Manager and the Trustee as at 30 June 2024 and 31 December 2023 were as follows.

As at 30 June 2024, BOCOM International Holdings Company Limited, the parent company of the Manager, held 2,000,000 (31 December 2023: 2,000,000) Class I units in the Sub-Fund.

(e) Sub-custodian fee

During the period for six months ended 30 June 2024, the Sub-Fund recognized a sub-custodian fee of RMB6,036 (30 June 2023: RMB8,538) charged by HSBC Bank (China) Company Limited the connected person of the Trustee and the Manager, of which RMB2,210 (31 December 2023: RMB2,546) was outstanding at 30 June 2024.

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 2024 and 2023.

5. Contingent liabilities and commitments

The Sub-Fund did not have any contingent liabilities and commitments during the six months ended 30 June 2024 and 2023.

6. Distribution to unitholders

The Sub-Fund did not make any distribution during the six months ended 30 June 2024 and 2023.

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NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED) (CONTINUED)
FOR THE SIX MONTHS ENDED 30 JUNE 2024

7. Details on units

| | 30 Jun 2024 RMB | 31 Dec 2023 RMB |
|------------------------------------|-----------------------|-----------------------|
| Net assets per class | | |
| Class I | 24,072,998 | 24,650,206 |
| Class R | 3,233,092 | 5,074,806 |
| Number of units outstanding | | |
| Class I | 2,000,000.000 | 2,000,000.000 |
| Class R | 276,669.616 | 423,482.764 |
| Net asset value per unit | | |
| Class I | 12.036 | 12.325 |
| Class R | 11.685 | 11.983 |

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 six months ended 30 June 2024 amounted to RMB108,401 (30 June 2023 : RMB254,666).

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 JUNE 2024

| Investments (92.40%) | Holdings | Fair Value RMB | % of Net Assets |
|--|-----------------|---------------------------|----------------------------|
| Debt securities (11.91%) | | | |
| Listed in China | | | |
| China Government Bond 1.99% 09/15/2024 | 3,200,000 | 3,203,264 | 11.91% |
| | | 3,203,264 | 11.91% |
| Equity securities (80.49%) | | | |
| Listed in China | | | |
| CGN Power Co Ltd-A | 400,000 | 1,852,000 | 6.78% |
| China Construction Bank-A | 180,000 | 1,332,000 | 4.88% |
| China Mobile Ltd-A | 20,000 | 2,150,000 | 7.87% |
| China National Nuclear Pow-A | 170,000 | 1,812,200 | 6.64% |
| China Telecom Corp Ltd-dm -A | 350,000 | 2,152,500 | 7.88% |
| Daqin Railway Co Ltd-A | 200,000 | 1,432,000 | 5.24% |
| Dong-E-E-Jiaoco Ltd-A | 20,000 | 1,252,000 | 4.59% |
| Guangdong Provincial Expr-A | 180,000 | 1,873,800 | 6.86% |
| Ind & Comm Bank of China-A | 400,000 | 2,280,000 | 8.35% |
| Midea Group Co Ltd-A | 25,000 | 1,612,500 | 5.91% |
| Shaanxi Coal Industry Co Ltd-A | 65,000 | 1,675,050 | 6.13% |
| Sinotruk Jinan Truck Co Ltd-A | 78,500 | 1,124,120 | 4.12% |
| XCMG Construction Machin-A | 200,000 | 1,430,000 | 5.24% |
| | | 21,978,170 | 80.49% |
| Total investments | | 25,181,434 | 92.40% |
| Other net assets | | 2,124,656 | 7.60% |
| Total net assets as at 30 June 2024 | | 27,306,090 | 100.00% |
| Total investments at cost | | 23,446,548 | |

BOCOM INTERNATIONAL CHINA DYNAMIC FUND
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STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 JUNE 2024

| Investments | 31 December | Holdings | | 30 June |
|-------------------------------------|-------------|-----------|-----------|-----------|
| | 2023 | Additions | Disposals | 2024 |
| 37 Interactive entertainme-A | - | 80,000 | 80,000 | - |
| Advanced Micro-Fabrication-A | 12,000 | - | 12,000 | - |
| Anji Microelectronics Tech-A | 5,500 | - | 5,500 | - |
| Beijing Kingsoft Office so-A | 5,300 | - | 5,300 | - |
| Castech Inc -A | 32,000 | - | 32,000 | - |
| CGB 1.99 09/15/24 SH | 3,200,000 | - | - | 3,200,000 |
| CGN Power Co. Ltd.-A | - | 400,000 | - | 400,000 |
| Chengxin Lithium Group Co. Ltd.-A | 100,000 | - | 100,000 | - |
| China Construction Bank-A | - | 180,000 | - | 180,000 |
| China Mobile Ltd-A | - | 20,000 | - | 20,000 |
| China National Nuclear POW-A | - | 170,000 | - | 170,000 |
| China Petroleum & Chemical-A | - | 250,000 | 250,000 | - |
| China Resource-A | - | 14,000 | 14,000 | - |
| China Telecom Corp Ltd-DM -A | - | 350,000 | - | 350,000 |
| CNOOC Ltd-A | - | 75,000 | 75,000 | - |
| COSCO Shipping Holdings Co. Ltd.-A | - | 85,000 | 85,000 | - |
| Daqin Railway Co Ltd -A | - | 200,000 | - | 200,000 |
| Darbond Technology Co. Ltd.-A | 22,000 | - | 22,000 | - |
| Dong-E-E-Jiao Co. Ltd.-A | - | 20,000 | - | 20,000 |
| Dosilicon Co. Ltd.-A | 74,000 | - | 74,000 | - |
| Focuslight Technologies in-A | 14,000 | - | 14,000 | - |
| Ganfeng Lithium Group Co. Ltd.-A | 58,000 | - | 58,000 | - |
| Guangdong Provincial Expr-A | - | 180,000 | - | 180,000 |
| HMT Xiamen New Technical M-A | 25,000 | - | 25,000 | - |
| IND & Commercial Bank of China-A | - | 400,000 | - | 400,000 |
| Jiangsu Chuanzhiboke Educa-A | - | 120,000 | 120,000 | - |
| Jiangsu Hengrui Medicine Co. Ltd.-A | 13,000 | - | 13,000 | - |
| Lxshpi 11/03/26 var | 30,000 | - | 30,000 | - |
| Midea Group Co. Ltd.-A | - | 25,000 | - | 25,000 |
| Ming Yang Smart -A | - | 140,000 | 140,000 | - |
| Ningbo Orient -A | - | 38,000 | 38,000 | - |
| Piotech INC-A | 6,000 | - | 6,000 | - |
| Semiconductor Manufacturin-A | 40,000 | - | 40,000 | - |
| Shaanxi Coal Industry Co. Ltd.-A | - | 65,000 | - | 65,000 |
| Shanghai United Imaging he-A | 9,000 | - | 9,000 | - |
| Sinotruk Jinan Truck Co. Ltd.-A | - | 130,000 | 51,500 | 78,500 |
| Tianqi Lithium-A | 38,000 | - | 38,000 | - |
| Tongfu Microelectronic Co. Ltd.-A | 65,000 | - | 65,000 | - |
| Xcmg Construction Machin-A | - | 200,000 | - | 200,000 |
| Zijin Mining-A | 100,000 | - | 100,000 | - |