

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

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

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

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

Sub-custodian

Citibank, N.A.
10/F, Two Harbour Front,
22 Tak Fung Street,
Hung Hom, 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 experienced notable fluctuations the first half of 2024. The Hang Seng Index reached a trough at in January, while it started to rebound since February, with the peak in May. The Hang Seng Index was up by 3.9% in the first half of 2024, primarily due to a series of supportive economic policies, including interest rate cut, real estate policy, and trade-in policy etc. High dividend yield sectors such as Energy and Utilities sectors, greatly outperformed other sectors. Among the HSI constituents, China Hongqiao Group, CNOOC, and PetroChina were the best performers, with gains of 89.5%, 77.7%, and 58.5% respectively. Conversely, WuXi AppTec, WuXi Biologics, and Li Auto were the biggest laggards, with losses of 62.0%, 61.0%, and 52.2% respectively.

Portfolio Review

As of 30 Jun 2024, the fund recorded total return of +6.85%, which outperformed the Hang Seng Index. The main reason is that the fund invested heavily in high dividend stocks such as energy and telecom, which outperformed a lot. Looking forward to the second half of 2024, 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 2024 HKD	31 Dec 2023 HKD
Assets		
Financial assets at fair value through profit or loss	71,643,750	125,811,395
Dividend receivables	1,919,524	77,194
Amounts due from brokers	1,277,193	5,983,029
Prepayments	244,106	-
Cash and cash equivalents	6,723,077	12,465,436
Total assets	81,807,650	144,337,054
Liabilities		
Management fee payable	102,769	181,433
Trustee fee payable	28,688	41,254
Redemption payable	5,991,987	12,551,896
Accrued expense and other payables	284,970	319,009
Total liabilities	6,408,414	13,093,592
Equity		
Net assets attributable to unitholders	75,399,236	131,243,462

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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 HKD	For the six Months ended 30 Jun 2023 HKD
Income			
Interest income on bank deposits		380	9,680
Dividend income		2,496,639	1,542,681
Net gains/(losses) on financial assets at fair value through profit or loss		6,210,506	(15,854,187)
Total income/(losses)		8,707,525	(14,301,826)
Expenses			
Management fee	2(a)	(831,256)	(1,344,653)
Trustee fee	2(b)	(196,909)	(301,736)
Sub-custodian fee		(25,536)	(34,932)
Audit fee		(224,913)	(158,194)
Transaction costs	8	(552,722)	(1,573,807)
Bank charges		(1,181)	(1,738)
Other expenses		(115,899)	-
Total operating expenses		(1,948,416)	(3,415,060)
Profit/(Loss) before tax		6,759,109	(17,716,886)
Withholding taxes		(181,100)	(100,940)
Increase/(Decrease) in net assets attributable to unitholders from operations		6,578,009	(17,817,826)

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

	<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 2024	19,556,996.348	131,243,462	6.710
Proceeds from units issued	-	-	
Redemption of units	(9,041,998.236)	(62,422,235)	
Increase in net assets attributable to unitholders from operations	-	6,578,009	
As at 30 June 2024	<u>10,514,998.112</u>	<u>75,399,236</u>	7.170
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)	
Decrease in net assets attributable to unitholders from operations	-	(17,817,826)	
As at 30 June 2023	<u>22,624,547.531</u>	<u>166,099,654</u>	7.341

BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND
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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 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% (2023: 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 2024 amounted to HKD831,256 (30 June 2023: HKD1,344,653). As at 30 June 2024, the Sub-Fund has management fee payable to the Manager of HKD102,769 (31 December 2023: HKD181,433).

(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 (2023: 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 2024 amounted to HKD196,909 (30 June 2023: HKD301,736). As at 30 June 2024, the Sub-Fund has trustee fee payable to the Trustee is HKD28,688 (31 December 2023: HKD41,254).

BOCOM INTERNATIONAL DRAGON CORE GROWTH FUND

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

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

(c) Brokerage fee

The Sub-Fund utilises the brokerage services of BOCOM International Securities Limited, a fellow subsidiary of the Manager and the Trustee. Details of transactions effected through this company are as follows:

	Total aggregate value of such transactions HKD	Total commission paid HKD	Percentage of such transactions in value to total transactions for the period %	Average rate of commission %
For the six months ended 30 June 2024	66,493,886	66,464	25.79	0.10
For the six months ended 30 June 2023	116,663,459	116,666	17.92	0.10

(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 6,658,079.487 units (31 December 2023: 15,191,914.147 units) in the Sub-Fund.

As at 30 June 2024, the directors of the Manager held 17,550.017 units (31 December 2023: 17,550.017 units) in the Sub-Fund.

(e) Balance balances

Bank balances are maintained with Bank of Communications Co. Ltd HK Branch, a branch of Bank of Communications Co., Ltd., the ultimate holding company of the Manager and the Trustee. Relevant bank balances as at 30 June 2024 were HKD110,865 (31 December 2023: HKD110,520).

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.

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

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.

7. Details on units

	Net assets value HKD	Number of units outstanding	Net asset value per unit HKD
At 30 June 2024	<u>75,399,236</u>	<u>10,514,998.112</u>	<u>7.170</u>
At 31 December 2023	<u>131,243,462</u>	<u>19,556,996.348</u>	<u>6.710</u>

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 HKD552,722 (30 June 2023: HKD1,573,807).

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 JUNE 2024

	Holdings	Fair Value HKD	% of Net Assets
Investments (95.02%)			
Equity securities (95.02%)			
Listed in Hong Kong			
China Animal Healthcare Ltd	270,000	-	0.00%
China Communications Servi-H	1,600,000	6,720,000	8.91%
China Mobile Ltd.	95,000	7,310,250	9.70%
China Resources Medical Holdings	2,000,000	7,060,000	9.36%
China Resources Pharmaceutical	1,200,000	6,936,000	9.20%
China Telecom Corp Ltd.-H	1,500,000	6,945,000	9.21%
China Unicom Hong Kong Ltd.	1,000,000	7,170,000	9.51%
Guangzhou Baiyunshan Pharm-H	250,000	5,162,500	6.85%
IND & Commercial Bank of China-H	1,500,000	6,945,000	9.21%
Link REIT	230,000	6,969,000	9.24%
SinoPharm Group Co. Ltd.-H	300,000	6,210,000	8.24%
Zhejiang Expressway Co. Ltd.-H	800,000	4,216,000	5.59%
Total investments		<u>71,643,750</u>	<u>95.02%</u>
Other net assets		<u>3,755,486</u>	<u>4.98%</u>
Total net assets as at 30 June 2024		<u>75,399,236</u>	<u>100.00%</u>
Total investments at cost		<u>67,715,214</u>	

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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
Equities				
Boe Varitronix Ltd.	300,000	-	300,000	-
Bosideng Intl	1,000,000	-	1,000,000	-
China Coal Energy-H	446,000	-	446,000	-
China Communications Servi-H	-	1,600,000	-	1,600,000
China Mobile Ltd.	-	120,000	25,000	95,000
China Petroleum & Chemical-H	-	1,600,000	1,600,000	-
China Resources Gas Group Ltd	330,000	-	330,000	-
China Resources Medical Holdings	900,000	1,600,000	500,000	2,000,000
China Resources Pharmaceutical	633,500	866,500	300,000	1,200,000
China Telecom Corp Ltd.-H	2,000,000	-	500,000	1,500,000
China Tower Corp Ltd.-H	-	7,000,000	7,000,000	-
China Traditional Chinese Medicine	1,500,000	-	1,500,000	-
China Unicom Hong Kong Ltd.	-	1,200,000	200,000	1,000,000
Chinasoft Intl	1,350,000	-	1,350,000	-
CK Asset Holdings Ltd.	200,000	-	200,000	-
CNOOC Ltd.	-	500,000	500,000	-
Country Garden	10,000,000	-	10,000,000	-
Ganfeng Lithiu-H	150,000	-	150,000	-
Guangzhou Baiyunshan Pharm-H	210,000	100,000	60,000	250,000
Hong Kong Exchanges & Clear	15,000	-	15,000	-
IND & Commercial Bank of China-H	-	1,600,000	100,000	1,500,000
Lenovo Group	800,000	-	800,000	-
Link REIT	-	260,000	30,000	230,000
Maoyan Entertain	-	450,000	450,000	-
Miniso Group Holding Ltd.	210,000	-	210,000	-
PetroChina Co Ltd.-H	-	1,100,000	1,100,000	-
Semiconductor Manufacturing	450,000	-	450,000	-
SinoPharm Group Co. Ltd.-H	330,000	-	30,000	300,000
Sinotrans Limited-H	-	2,200,000	2,200,000	-
Sinotruk HK Ltd.	-	350,000	350,000	-
Tianqi Lithium Corp-H	80,000	-	80,000	-
Tongcheng-Elong	-	250,000	250,000	-
Yadea Group Holdings Ltd.	110,000	-	110,000	-
Zhaojin Mining-H	660,000	-	660,000	-
Zhejiang Expressway Co. Ltd.-H	-	800,000	-	800,000
Zijin Mining-H	550,000	-	550,000	-
Unlisted equities securities				
Hong Kong				
China Animal Healthcare Ltd	270,000	-	-	270,000