

ChinaAMC ETF Series  
**ChinaAMC CES China A80 Index ETF**

Unaudited Semi-Annual Report

For the period from  
1 January 2018 to 30 June 2018



**华夏基金**  
**ChinaAMC**

**UNAUDITED SEMI-ANNUAL REPORT**

**ChinaAMC CES China A80 Index ETF**  
(a sub-fund of ChinaAMC ETF Series)

For the period from 1 January 2018 to 30 June 2018

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CONTENTS

	Pages
MANAGEMENT AND ADMINISTRATION	1 - 2
REPORT OF THE MANAGER TO THE UNITHOLDERS	3
UNAUDITED FINANCIAL STATEMENTS	
Statement of financial position	4
Statement of comprehensive income	5
Statement of changes in net assets attributable to unitholders	6
Statement of cash flows	7
INVESTMENT PORTFOLIO (UNAUDITED)	8
MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)	9
PERFORMANCE RECORD (UNAUDITED)	10
DISTRIBUTION DISCLOSURE (UNAUDITED)	11
INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)	12

**IMPORTANT:**

Any opinion expressed herein reflects the Manager's view only and is subject to change. For more information about the Sub-Fund, please refer to the prospectus of the Sub-Fund which is available at our website: <http://www.chinaamc.com.hk/en/products/etf/a80/documents.html>

Investors should not rely on the information contained in this report for their investment decisions.

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## MANAGEMENT AND ADMINISTRATION

### **Manager and RQFII Holder**

China Asset Management (Hong Kong) Limited  
37/F, Bank of China Tower  
1 Garden Road  
Central, Hong Kong

### **Directors of the Manager**

Mr. Yang Minghui  
Mr. Zhang Xiaoling  
Mr. Gan Tian  
Mr. Tang Xiaodong (appointed on 10 January 2018  
and resigned on 27 April 2018)  
Mr. Li Yimei (appointed on 18 May 2018)  
Mr. Li Min (appointed on 18 May 2018)

### **Trustee**

Cititrust Limited  
50/F, Champion Tower  
Three Garden Road  
Central, Hong Kong

### **PRC Custodian**

Citibank (China) Co., Limited  
Citigroup Tower  
No. 33, Hua Yuan Shi Qiao Road  
Lu Jia Zui Finance and Trade Area, Shanghai  
People's Republic of China

### **Auditor**

Ernst & Young  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central, Hong Kong

### **Investment Adviser**

China Asset Management Co., Ltd.  
3/F Tower B, Tongtai Building  
No. 33 Finance Street  
Xicheng District, Beijing  
People's Republic of China

### **Administrator and Custodian**

Citibank, N.A.  
50/F, Champion Tower  
Three Garden Road  
Central, Hong Kong

### **Registrar**

Computershare Hong Kong Investor Services  
Limited  
46/F, Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### **Service Agent**

HK Conversion Agency Services Limited  
2/F, Infinitus Plaza  
199 Des Voeux Road  
Central, Hong Kong

### **Legal Counsel to the Manager**

Simmons & Simmons  
13/F, One Pacific Place  
88 Queensway  
Central, Hong Kong

ChinaAMC CES China A80 Index ETF  
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MANAGEMENT AND ADMINISTRATION (continued)

**Participating Dealers**

ABN AMRO Clearing Hong Kong Limited  
70/F, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

CIMB Securities Limited  
Unit 7706-08, 77/F  
International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

Credit Suisse Securities (Hong Kong) Limited  
88/F, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

Deutsche Securities Asia Limited  
52/F, International Commerce Centre  
1 Austin Road West  
Kowloon, Hong Kong

Goldman Sachs (Asia) Securities Limited  
68/F, Cheung Kong Center  
2 Queen's Road  
Central, Hong Kong

Merrill Lynch Far East Limited  
15/F, Champion Tower  
Three Garden Road  
Central, Hong Kong

Nomura International (Hong Kong) Limited  
30/F, Two International Finance Centre  
8 Finance Street  
Central, Hong Kong

SG Securities (HK) Limited  
38/F, Pacific Place 3  
1 Queen's Road East  
Admiralty, Hong Kong

The Hongkong and Shanghai Banking Corporation  
Limited  
18/F, HSBC Main Building  
1 Queen's Road  
Central, Hong Kong

UBS Securities Hong Kong Limited  
42/F, One Exchange Square  
Central, Hong Kong

Yuanta Securities (Hong Kong) Company Limited  
23/F, Tower 1, Admiralty Centre  
18 Harcourt Road  
Admiralty, Hong Kong

ChinaAMC CES China A80 Index ETF  
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## REPORT OF THE MANAGER TO THE UNITHOLDERS

### **Introduction**

The ChinaAMC CES China A80 Index ETF (the “Sub-Fund”), a sub-fund of ChinaAMC ETF Series, an umbrella unit trust established under Hong Kong law by a trust deed dated 28 May 2012, as amended or supplemented from time to time (the “Trust Deed”), between China Asset Management (Hong Kong) Limited (the “Manager”) and Cititrust Limited. The Sub-Fund is a physical exchange traded fund investing directly in underlying A-Shares. Its RMB counter (stock code: 83180) and HKD counter (stock code: 03180) commenced trading on the Stock Exchange of Hong Kong Limited (the “SEHK”) on 26 August 2013. The Sub-Fund is an index-tracking fund that seeks to track the performance of the CES China A80 Index (the “Index”).

The Manager announced the proposed termination, deauthorisation and delisting of the Sub-Fund on 9 October 2017. Subsequently, the Units of the Sub-Fund ceased trading on the SEHK as from 10 November 2017 and the first distribution from realization of the Sub-Fund’s investment was made on 4 December 2017.

The Sub-Fund still has two suspended stocks, namely Wanda Film Holding Co Ltd (Ticker: 002739 CH) and Beijing Xinwei Technology Group Co Ltd (Ticker: 600485 CH). The value of Wanda Film Holding Co Ltd (Ticker: 002739 CH) is approximately RMB11,031 and accounted for 21.58% of the Sub-Fund’s Net Asset Value as of 30 June 2018. The value of Beijing Xinwei Technology Group Co Ltd (Ticker: 600485 CH) is approximately RMB24,359 and accounted for 47.67% of the Sub-Fund’s Net Asset Value as of 30 June 2018. When the suspended stocks resume trading and are disposed, further distribution(s) will be made to the investors who held any Unit on 15 November 2017 at such intervals as determined by the Manager.

The Manager will make further announcement to inform the investors of each further distribution and about the termination date, dates for the deauthorization and delisting of the Sub-Fund.

### **Performance of the Sub-Fund**

The investment objective of the Sub-Fund is to provide investment results that, before fees and expenses, closely correspond to the performance of the Index. There can be no assurance that the Sub-Fund will achieve its investment objective.

Since the Units of Sub-Fund have ceased trading on the SEHK from 10 November 2017, there is no performance data provided in this report.

China Asset Management (Hong Kong) Limited  
27 August 2018

ChinaAMC CES China A80 Index ETF  
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STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	30 June 2018 (Unaudited) RMB	31 December 2017 (Audited) RMB
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	35,390	81,821
Amount due from the Manager	453,582	453,582
Cash and cash equivalents	74,414	59,702
<b>TOTAL ASSETS</b>	<u>563,386</u>	<u>595,105</u>
<b>LIABILITIES</b>		
Management fee payable	11,687	11,687
Custodian, fund administration and trustee fees payable	89,085	89,085
Termination fee payable	77,228	77,228
Other payables and accruals	334,283	334,283
<b>TOTAL LIABILITIES</b>	<u>512,283</u>	<u>512,283</u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	<u>51,103</u>	<u>82,822</u>
<b>NUMBER OF UNITS IN ISSUE</b>	<u>300,000</u>	<u>300,000</u>
<b>NET ASSET VALUE PER UNIT</b>	<u>0.1703</u>	<u>0.2761</u>

ChinaAMC CES China A80 Index ETF  
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STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2018 to 30 June 2018

	1 January 2018 to 30 June 2018 (Unaudited) RMB	1 January 2017 to 30 June 2017 (Unaudited) RMB
<b>INCOME</b>		
Dividend income	–	74,586
Interest income	179	212
	<u>179</u>	<u>74,798</u>
<b>EXPENSES</b>		
Management fee	–	( 27,839)
Brokerage fee	( 11)	( 4,676)
Custodian, fund administration and trustee fees	–	( 170,840)
Audit fee	–	( 50,008)
Data licensing fee	–	( 6,670)
Professional fee	–	15,432
Other operating expenses	( 16)	232,618
	<u>( 27)</u>	<u>( 11,983)</u>
<b>PROFIT BEFORE INVESTMENT (LOSSES)/GAINS AND EXCHANGE DIFFERENCES</b>	<b>152</b>	<b>62,815</b>
<b>INVESTMENT (LOSSES)/GAINS AND EXCHANGE DIFFERENCES</b>		
Net change in unrealised gains or losses on financial assets at fair value through profit or loss	25,869	( 271,251)
Net realised gains or losses on financial assets at fair value through profit or loss	( 57,740)	1,455,595
Net foreign exchange losses	–	( 9)
<b>NET INVESTMENT AND EXCHANGE (LOSSES)/GAINS</b>	<u>( 31,871)</u>	<u>1,184,335</u>
<b>(LOSS)/PROFIT BEFORE TAX</b>	<b>( 31,719)</b>	<b>1,247,150</b>
Withholding taxes	–	( 7,621)
<b>TOTAL COMPREHENSIVE INCOME</b>	<u>( 31,719)</u>	<u>1,239,529</u>

ChinaAMC CES China A80 Index ETF  
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STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the period from 1 January 2018 to 30 June 2018

	1 January 2018 to 30 June 2018 (Unaudited) RMB	1 January 2017 to 30 June 2017 (Unaudited) RMB
At 1 January	82,822	7,401,688
Redemption of units	–	( 5,311,585)
Total comprehensive income	( 31,719)	1,239,529
At 30 June	<u>51,103</u>	<u>3,329,632</u>

ChinaAMC CES China A80 Index ETF  
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STATEMENT OF CASH FLOWS

For the period from 1 January 2018 to 30 June 2018

	1 January 2018 to 30 June 2018 (Unaudited) RMB	1 January 2017 to 30 June 2017 (Unaudited) RMB
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before tax	( 31,719)	1,247,150
Adjustments for:		
Net change in unrealised gains or losses on financial assets at fair value through profit or loss	( 25,869)	271,251
Net realised gains or losses on financial assets at fair value through profit or loss	57,740	( 1,455,595)
Operating gain before changes in working capital	<u>152</u>	<u>62,806</u>
Purchase of financial assets at fair value through profit or loss	–	( 281,890)
Proceeds from sale of financial assets at fair value through profit or loss	14,560	5,562,799
Decrease in amount due from the Manager	–	60,685
Decrease in management fee payable	–	( 158)
Increase in custodian, fund administration and trustee fees payable	–	33,517
Decrease in other payables and accruals	–	( 256,511)
Cash flows generated from operations	<u>14,712</u>	<u>5,181,248</u>
Tax paid	–	( 7,621)
Net cash flows generated from operating activities	<u>14,712</u>	<u>5,173,627</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>		
Payments on redemption of units and net cash flows used in financing activity	–	( 5,311,585)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		
	14,712	( 137,958)
Cash and cash equivalents at the beginning of the period	<u>59,702</u>	<u>277,428</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>74,414</u>	<u>139,470</u>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Cash at bank	<u>74,414</u>	<u>139,470</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES INCLUDE:</b>		
Dividend received	–	66,975
Interest received	179	202

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INVESTMENT PORTFOLIO (Unaudited)

As at 30 June 2018

	<b>Holdings Shares</b>	<b>Market Value RMB</b>	<b>% of NAV</b>
<b><u>Financial assets at fair value through profit or loss</u></b>			
<b><u>Listed securities</u></b>			
<b><u>China</u></b>			
<b>Consumer Discretionary</b>			
Wanda Film Holding Co Ltd	300	11,031	21.58%
<b>Information Technology</b>			
Beijing Xinwei Technology Group Co Ltd	1,974	24,359	47.67%
<b>TOTAL INVESTMENTS, AT FAIR VALUE</b>		<b>35,390</b>	<b>69.25%</b>
<b>TOTAL INVESTMENTS, AT COST</b>		<b>75,799</b>	

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MOVEMENTS IN INVESTMENT PORTFOLIO (Unaudited)

For the period from 1 January 2018 to 30 June 2018

INVESTMENTS	Holdings as at 1 January 2018	Additions	Corporate Action	Disposals	Holdings as at 30 June 2018
<b><u>Financial assets at fair value through profit or loss</u></b>					
<b>Listed securities</b>					
Beijing Xinwei Technology Group Co Ltd	1,700	–	274	–	1,974
Leshi Internet Information & Technology Corp Beijing	3,200	–	–	3,200	–
Wanda Film Holding Co Ltd	300	–	–	–	300

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PERFORMANCE RECORD (Unaudited)

For the period from 1 January 2018 to 30 June 2018

**1. NET ASSET VALUE (calculated in accordance with the Sub-Fund's Trust Deed)**

	Net assets attributable to unitholders RMB	Net asset value per unit RMB
As at:		
30 June 2018 (Unaudited)	51,103	0.1703
31 December 2017 (Audited)	82,822	0.2761
31 December 2016 (Audited)	7,401,688	9.8689
31 December 2015 (Audited)	24,014,956	10.6733

**2. HIGHEST ISSUE AND LOWEST REDEMPTION PRICES PER UNIT<sup>A</sup>**

	Highest issue unit price RMB	Lowest redemption unit price RMB
During the year/period ended:		
31 December 2017 <sup>c</sup> (Audited)	13.2071	0.2761
31 December 2016 (Audited)	11.1551	8.6884
31 December 2015 (Audited)	14.7503	8.4411
31 December 2014 (Audited)	10.5237	5.9045
31 December 2013 <sup>B</sup> (Audited)	7.4234	6.4855

**3. COMPARISON OF THE SCHEME PERFORMANCE AND THE ACTUAL INDEX PERFORMANCE<sup>A</sup>**

The table below illustrates the comparison between the Sub-Fund's performance (Market-to-Market) and that of the Index during the following period/year ended:

	The Index (since 23 August 2013)	RMB counter of the Sub-Fund (since 26 August 2013)	HKD counter of the Sub-Fund (since 26 August 2013)
During the period/year ended:			
10 November 2017 <sup>c</sup> (the Trading Cessation Date) (Audited)	120.99%	92.32%	77.49%
31 December 2016 (Audited)	49.21%	50.37%	32.25%
31 December 2015 (Audited)	58.93%	57.46%	45.48%
31 December 2014 (Audited)	61.23%	54.20%	51.04%
31 December 2013 <sup>B</sup> (Audited)	0.72%	-3.69%	-3.13%

<sup>A</sup> Past performance figures shown are not indicative of the future performance of the Sub-Fund.

<sup>B</sup> The financial period of the Sub-Fund extended from 22 August 2013 (date of inception) to 31 December 2013.

<sup>C</sup> The highest issue and lowest redemption prices per unit and the comparison of the scheme performance and the actual index performance are not available after the Trading Cessation Date.

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DISTRIBUTION DISCLOSURE (Unaudited)

For the period from 1 January 2018 to 30 June 2018

The Manager may in its absolute discretion distribute income to unitholders at such time or times as it may determine in each financial period or determine that no distribution shall be made in any financial period. The amount to be distributed to unitholders, if any, will be derived from the net income of the Sub-Fund.

The Sub-Fund did not make any distribution during the periods ended 30 June 2018 and 30 June 2017.

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#### INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (Unaudited)

As at 30 June 2018

Pursuant to the Securities & Futures Commission of Hong Kong's ("SFC") Guidelines for Regulating Index Tracking Exchange Trade Funds, the SFC Code allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that:

- (a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the index; and
- (b) the Sub-Fund's holding of any such constituent securities should not exceed their respective weightings in the underlying index, except where the weightings are exceeded as a result of changes in the composition of the underlying index and the excess is only transitional and temporary in nature.

The SFC Code further provides that, if the investment limits stated above are breached, the management company should take as a priority objective all steps as are necessary within a reasonable period of time to remedy the situation, taking due account of the interests of the unitholders. The Trust Deed of the Trust also contains provisions mirroring the above provisions of the SFC Code.

Pursuant to the announcement dated 9 October 2017, which was approved by the SFC, the Sub-Fund ceased to track the Index and therefore the Sub-Fund is not necessary to meet the investment limitation and prohibitions under the SFC Code.



**华夏基金(香港)有限公司**  
CHINA ASSET MANAGEMENT (HONG KONG) LIMITED

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